

RESOLUTION NO. 2026-1-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2024 - 2027 MEMORANDUM OF UNDERSTANDING FOR THE GENERAL EMPLOYEE'S ASSOCIATION, LABORATORY UNIT, OPERATORS' ASSOCIATION, PROFESSIONAL UNIT, AND SUPERVISORS' UNIT EMPLOYEES, BY ADOPTING A SIDE LETTER OF AGREEMENT

WHEREAS, the Inland Empire Utilities Agency* hereinafter referred to as the "Agency," and the General Employee's Association, Laboratory Unit, Operators' Association, Professional Unit, and Supervisors' Unit Employees met and conferred in accordance with requirements of the Meyers-Milias-Brown Act and Government Code section 3500, *et seq.*; and

WHEREAS, the Agency and the General Employees' Association, Laboratory Unit, Operators' Association, Professional Unit, and Supervisors' Unit have memorialized the agreement in a written Side Letter of Agreement, which has been presented to the Board of Directions for adoption, and

WHEREAS, this Agreement would provide for the following change: standardized rating scale across all employees, transition supervisors and above from fiscal year review period to anniversary-based review period and align performance award language with new review period, and


WHEREAS, the Agency also adopts the same resolution for the Unrepresented and Senior Management Personnel Manuals.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1: The Side Letter of Agreement between the Inland Empire Utilities Agency and the General Employee's Association, Laboratory Unit, Operators' Association, Professional Unit, and Supervisors' Unit Employees is hereby adopted and set forth in Exhibit "I" this resolution.

SECTION 2: That this Board of Directors does hereby order that the General Employees' Association, Laboratory Unit, Operators' Association, Professional Unit, and Supervisors' Unit Side Letter of Agreement be included herein as part of the Units Memorandum of Understanding.

ADOPTED the 7th day of January 2026.



Steven J. Elie
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned above a horizontal line.

Michael Camacho

Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Michael Camacho, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2026-1-1, was adopted at a
regular Board Meeting on January 7, 2026, of said Agency by the following vote:

- AYES: Camacho, Elie, Hall, Hofer, Tule
- NOES: None
- ABSENT: None



Michael Camacho
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

*A Municipal Water District

**SIDE LETTER OF AGREEMENT TO MEMORANDUM OF UNDERSTANDING
BETWEEN THE INLAND EMPIRE UTILITIES AGENCY AND THE
SUPERVISORS' UNIT**

This Side Letter of Agreement (“Side Letter”) is entered into by and between the Inland Empire Utilities Agency (“Agency”) and the Supervisors’ Unit (hereinafter the “Parties”). It is the purpose of this Side Letter to supplement the term concerning Performance Appraisals in the Memorandum of Understanding (“MOU”) between the Parties for July 1, 2024 to June 30, 2027 as set forth in Article 12 – Performance Appraisals and this Side Letter.

It is the intent of the Parties that this Side Letter shall remain in full force and effect for the term of the Parties’ current and operative MOU, unless superseded, amended or modified by mutual written agreement between the Parties.

This document reflects the results of an agreement negotiated by representatives of the Parties.

The Parties hereby agree to the changes set forth in Article 12 - Performance Appraisals, Section 12.01 – General:

12.01.D - All Unit members shall have a performance appraisal review at least once a year, to be conducted on the employee’s anniversary date. Said review shall occur approximately twelve (12) months from the anniversary of the employee’s hire date.

12.01.G – All employees who receive an overall appraisal rating of “Below Expectations” or “Unsatisfactory” shall be reviewed ninety (90) days after the “Below Expectations” or “Unsatisfactory” appraisal was received by the employee.

12.01.H - The Agency shall modify Supervisors’ Unit employee performance appraisal to the standard Inland Empire Utility Agency Performance Appraisal form for exempt and non-exempt employees.

12.01.I - The Agency shall modify the standard performance appraisal form to include an additional question regarding the employee’s demonstrated leadership abilities for the employee’s supervisor or manager to complete as part of the performance appraisal process.

Section 12.06 – Denial of Step Advancement/Performance

12.06.A - An employee who receives an overall rating of “Below Expectations” or “Unsatisfactory” shall be denied their step advancement. A written performance appraisal identifying the areas of weakness and what steps/actions the employee needs to take to improve their performance shall be provided to and discussed with the employee.

12.06.B - After receiving an overall rating of “Below Expectations” or “Unsatisfactory”, the employee shall have a maximum of two (2) three (3)-month feedback evaluations to attain an overall rating of Meets Expectations or better.

IT IS SO AGREED:

INLAND EMPIRE UTILITIES AGENCY

Signed by:
By: Christiana Daisy
EC93A1A3151545A...

Date: 1/7/2026

SUPERVISORS' UNIT

Signed by:
By: Dan Dyer
C9F8D5B260BD423...

Date: 12/10/2025

Initial
EM 12/10/2025

RESOLUTION NO. 2024-8-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE INLAND EMPIRE UTILITIES AGENCY AND THE SUPERVISORS' UNIT

WHEREAS, the representatives of the Board of Directors of the Inland Empire Utilities Agency* have met and conferred with duly authorized representatives of the Supervisors' Unit to make equitable adjustments to terms and conditions of employment; and

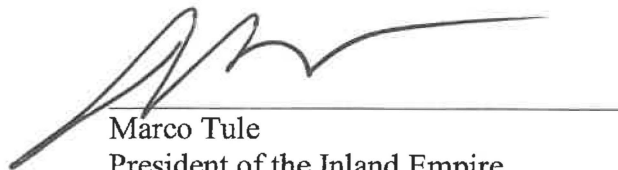
WHEREAS, a Memorandum of Understanding prepared by said representatives has been presented to the Board of Directors for ratification; and

WHEREAS, the Supervisors' Unit ratified the Memorandum of Understanding; and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1: That this Board of Directors does hereby approve and authorize its President and Secretary to sign the Memorandum of Understanding between the Inland Empire Utilities Agency* and the Supervisors' Unit attached hereto as Exhibit "1", which shall be effective upon approval and remain in full force and effect until a successor Memorandum of Understanding is adopted after the parties have met and conferred.

ADOPTED the 7th day of August 2024.



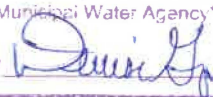
Marco Tule
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date August 7, 2024

Resolution No. 2024-8-1

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STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2024-8-1, was adopted at a Board
Meeting on August 7, 2024, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

*A Municipal Water District

Exhibit 1

THE INLAND EMPIRE UTILITIES AGENCY*

MEMORANDUM OF UNDERSTANDING

SUPERVISORS' UNIT

FOR THE PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2027

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**THE INLAND EMPIRE UTILITIES AGENCY*
MEMORANDUM OF UNDERSTANDING**

SUPERVISORS' UNIT

The Inland Empire Utilities Agency ("Agency") does hereby adopt this Memorandum of Understanding (MOU) establishing rules, regulations, and procedures for employees of the Supervisors' Unit.

Provisions of the MOU do not apply to part-time, temporary, limited term, contract, or intern personnel (employees) unless specifically noted in this MOU, Agency Policy, or the employee's contract. This MOU does not create any contract of employment, expressed or implied, or any rights in the nature of a contract.

- A. There are no provisions in this MOU that shall be deemed to limit or curtail the Agency in any way in the exercise of the rights, powers, and authority which the Agency had prior to entering into this MOU unless and only to the extent that the provisions of this MOU specifically curtail or limit such rights, powers, and authority.

- B. The exclusive rights of the Agency include, but are not limited to:
 - 1) Determine the mission of its constituent departments, commissions, and boards;
 - 2) Set standards of service;
 - 3) Determine the procedures and standards of selection for employment and promotion;
 - 4) Direct its employees;
 - 5) Relieve its employees from duty because of lack of work and/or for other legitimate reasons;
 - 6) Maintain efficiency of government operations;
 - 7) Determine the methods, means and personnel by which Agency operations are to be conducted;
 - 8) Determine the content of job classifications;
 - 9) Take all necessary actions to carry out its missions in emergencies;
 - 10) Exercise complete control, direction and discretion over its organization and the technology of performing its work;
 - 11) Discharge, suspend, demote, reprimand, and withhold salary increases and benefits or otherwise discipline employees for cause;
 - 12) Establish reasonable employee performance standards, including but not limited to, quality standards, and required compliance herewith;
 - 13) Determine assignments, staffing plans and hours of operations for the best use of Agency resources; and,
 - 14) Enforce other management rights secured by the Inland Empire Utilities Agency Employer-Employee Relations Resolution.

ARTICLE 1 - DESIGNATION OF PARTIES

The Supervisors' Unit is a recognized employee organization which represents a unit of representation established by the Board of Directors of the Agency, pursuant to the Agency's Employer/Employee Relations Resolution, and which includes the following classifications, as well as those which may be added, deleted, or modified in the future pursuant to the Employer/Employee Relations Resolution:

- | | |
|--------------------------------------|---|
| Accounting Supervisor | Maintenance Supervisor |
| Business Systems Supervisor | Operations Supervisor* |
| Collection System Supervisor | Pretreatment/Source Control Supervisor |
| | Process Automation and Control Supervisor |
| Compost Facility Supervisor | Records Management Supervisor |
| Contracts and Procurement Supervisor | Source Control/Environmental Resources Supervisor |
| Engineering Services Supervisor | Supervisor - Environmental Compliance & Energy |
| Facilities Program Supervisor | Warehouse Supervisor |
| Groundwater Recharge Supervisor | |
| Laboratory Supervisor | |

*Non-exempt classification

The provisions of this MOU shall apply to the above-referenced classifications, who shall receive all benefits agreed to in this MOU for the term of this contract.

ARTICLE 2 - PURPOSE

The parties to this MOU agree that its purpose is to confirm and maintain a spirit of cooperation between the Agency and the Supervisors' Unit. The Agency and the Supervisors' Unit will strive to promote a harmonious relationship between the parties, through this MOU, that will result in benefits for the Agency and the Supervisors' Unit.

ARTICLE 3 - TERM

- A. This MOU shall be effective as of July 1, 2024. It shall remain in full force and effect through June 30, 2027, or until a successor MOU is adopted after the parties have met and conferred.
- B. In or before March 2027, the parties agree to initiate the meet and confer process on a successor MOU.
- C. During the term of this MOU through June 30, 2027, if the Agency provides any other bargaining units additional Longevity Leave or additional Deferred Compensation adjustments greater than contained in this MOU then the Agency shall adjust MOU to make it consistent with the changes in the other MOU.

ARTICLE 4 - DEFINITIONS

Section 4.01. - General

Unless otherwise required by the context, various terms used in this document shall have the meanings set forth in this section. Terms expressed in the singular shall also include the plural.

Section 4.02. - Appointment

The act of filling a vacant position with a person who has met the qualifications for the position.

Section 4.03. - Anniversary Year

The year following the date of employment with the Agency and each successive year thereafter.

Section 4.04. - Classification

A group of positions sufficiently similar in duties, authority, and responsibility, to permit grouping under a common title in the application of common standards of selection, transfer, demotion, and salary.

Section 4.05. - Continuous Regular Employment

That period of actual employment by the Agency following an employee's date of employment, or the employee's most recent date of reemployment or reinstatement, whichever is later. The term shall also include military leaves of absence and pre-approved leaves of absence, provided that on the day prior to such periods the employee was in the employ of the Agency and that during such periods the employee takes no action expressed or implied to terminate employment.

A. Break in Continuous Regular Employment

1) Failure to Return to Work

A break in continuous regular employment for failure to return to work as required at the completion of one of the above authorized periods of absence shall, except in the event of the employee's death during such a period, be considered as voluntary termination as of the date the period of absence began.

2) Termination of Employment

Termination of employment by resignation, discharge, or other means or failure to return to work at the completion of one of the above authorized periods of absence shall constitute a break in continuous regular employment.

3) Other Employment

Employment by other than the Armed Forces of the United States or its Allies during a period of authorized absence shall constitute a break in continuous regular employment unless such other employment is approved by the Agency.

Section 4.06. - Exempt Employees

Employees in exempt positions who are excluded from FLSA overtime pay requirements and are compensated on a bi-weekly salary basis.

Section 4.07. - Holiday Leave

A holiday recognized by the Agency when employees will be granted a day off with pay.

Section 4.08. - Holiday Pay

Pay received by those employees who are required to work on an Agency recognized holiday.

Section 4.09. - Rates of Pay

The term "regular rate of pay" refers to the regular rate of pay as defined by the Fair Labor Standards Act, 29 USC section 207(e).

The term "normal rate of pay" refers to the rate of pay as specified in the IEUA Salary Matrix.

Section 4.10. - Family Member

Family member is limited to: spouse, domestic partner, ex-spouse (if children are involved), child (biological, adopted, foster, step, legal ward, or child who is under the age of 18 of a person standing in loco parentis), child-in-law, parent (biological, step, or individual in loco parentis to employee when employee was a minor), parent-in-law, sibling, sibling-in-law, half-sibling, step-sibling, grandparent, grandparent in-law, great grandparent, great grandparent in-law, grandchild, great grandchild, aunt, uncle, niece, or nephew.

Section 4.11. - Inactive Status

An employee who is on an authorized leave of absence without pay for more than thirty (30) calendar days.

Section 4.12. - Job Abandonment

An employee who does not report or call-in to work as scheduled for two (2) or more consecutive workdays, and has not been excused for vacation, floating holiday, sick leave, or a leave of absence without pay, shall be considered as having abandoned their job. Such employee may be disciplined in accordance with Article 17, Disciplinary Actions and Appeals Procedures.

Section 4.13. - Non-Exempt Employees

Employees in non-exempt positions who are covered under FLSA regulations, including overtime pay requirements and are compensated on an hourly basis.

Section 4.14. - Overtime

Overtime shall be defined for non-exempt employees as all hours worked in excess of forty (40) hours per workweek.

Section 4.15. - Overtime Pay

A rate equivalent to one and one-half (1½) times an employee's regular rate of pay.

Section 4.16. - Position

A group of duties and responsibilities assigned by proper authority to be performed by

one employee. A position may be full or part time, occupied or vacant, temporary, or regular.

Section 4.17. - Probationary Employee

A. Original Probationary Employee

A person appointed to fill a regular position, but who has not yet completed the probationary period. The probationary period is a trial period in which a new employee is evaluated on the ability to fulfill the skills required by a position and the ability to establish an effective working relationship with co-workers.

B. Technical Probationary Employee

A regular employee appointed, through promotion or a lateral transfer, to a classification or position having duties other than the employee's current position.

Section 4.18. - Probationary Period

A period considered an integral part of the examination, recruiting, testing and selection process during which an employee is required to demonstrate fitness for the position to which the employee is appointed by actual performance of the duties and responsibilities of the position.

Section 4.19. - Promotion

The movement of an employee from one classification to another classification having a higher maximum base rate of pay.

Section 4.20. - Reclassification

The reallocation of a position, through a change in duties and responsibilities, based on the needs of the Agency, to a different classification and/or salary range.

Section 4.21. - Reemployment

The rehiring, other than reinstatement, of an individual who formerly worked as an employee of the Agency.

Section 4.22. - Regular Employee

An employee who has successfully completed the original probationary period.

Section 4.23. - Reinstatement

The restoration, without competitive examination, of a former regular employee to a classification in which the employee formerly served as a regular, non-probationary employee.

Section 4.24. - Resignation

The termination, at the election of the employee, of employment with the Agency.

Section 4.25. - Step Advancement

A salary increase, based on Meets Expectations or better employee performance, which is within the limits of a pay range established for a classification.

Section 4.26. - Supervisory Employee

Any employee who has authority, in the interest of the Agency, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or has responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, of in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature but requires the use of independent judgement.

Section 4.27. - Temporary Employee

A person employed to meet a short-term need of the Agency. An employee shall not be retained in this status more than six (6) months without the written approval of the General Manager, or designated representative(s). Temporary employees are not entitled to Agency benefits or any other provision stipulated in this MOU.

Section 4.28. - Termination

The termination of an employee at the discretion of the Agency by layoff, discharge, or other means.

Section 4.29. - Transfer

The movement of an employee from one position to another position in the same classification or in a comparable classification with the same maximum salary, involving the performance of similar duties and responsibilities and requiring substantially the same basic qualifications.

Section 4.30. - Unpaid Status

When an employee does not receive compensation for time not worked, or does not have any usable accrued leave time, or is not eligible for any other paid leave, such employee shall be considered as being in an unpaid status.

Section 4.31. - Work Schedule

A work period consists of a two (2) week period consisting of eighty (80) hours worked over fourteen (14) days.

A workweek is a fixed and regularly recurring period of one hundred and sixty-eight (168) hours consisting of seven (7) consecutive twenty-four (24) hour periods.

A. 9/80 Work Schedule

A 9/80 work schedule shall consist of eighty (80) hours worked over a two (2) week period with four (4) nine (9)-hour days in one (1) week and four (4) nine (9)-hour days plus one (1) eight (8)-hour day in the other. The 9/80 workweek, for purposes of computing overtime for non-exempt employees, is defined as beginning exactly four (4) hours into the eight (8) hour shift on the day of the week that corresponds with the employee's alternating regular flex day off.

Example: Friday On/Off:

<u>Wk</u>	F	Sa	S	M	T	W	Th	F		Total
1	0	0	0	9	9	9	9	4	=	40
2	4	0	0	9	9	9	9	0	=	40

B. 5/40 Work Schedule

A 5/40 work schedule shall consist of five 8-hour days equaling forty (40) hours per workweek, with the workweek defined as beginning at 12:00 a.m. on Sunday and ending at 11:59 p.m. the following Saturday.

C. 4/10 Work Schedule

A 4/10 work schedule shall consist of four 10-hour days equaling forty (40) hours per week, with the workweek defined as beginning at 12:00 a.m. on Sunday and ending at 11:59 p.m. the following Saturday.

D. The General Manager, or designated representative(s), shall be empowered to arrange work schedules in alternate time distributions provided that such alternate distributions are in the best interests of the Agency and that affected employees have been provided a minimum of fourteen (14) calendar days' notice of said change. All employees of the Agency are subject to call for emergencies which are inherent in the Agency's responsibilities.

Staff assignments and schedules will be determined by management for the best use of agency resources to meet the needs of the Agency.

Section 4.32. - Scheduled Vacation

A scheduled vacation is a leave request that is approved and dated by the supervisor at least two (2) weeks prior to the scheduled time off.

Section 4.33. - Unscheduled Vacation

An unscheduled vacation is a leave request that is approved and dated by the supervisor less than two (2) weeks prior to the scheduled time off.

ARTICLE 5 - GENERAL PROVISIONS

Section 5.01. - Equal Employment Opportunity

The Agency provides equal employment opportunity to all employees and applicants without regard to sex, race, color, religion, national origin, age, ancestry, physical or mental disability, genetics, marital status, sexual orientation, or veteran status.

Section 5.02. - Amendment of Memorandum of Understanding (MOU)

This MOU may be amended by the Agency Board of Directors, subject to Government Code Section 3500, et. seq.

Section 5.03. - Labor/Management Meetings

- A. Periodically, and at the mutual convenience of the Agency and the Supervisors' Unit, the Parties may convene Labor-Management Meetings for purposes of sharing information, problem-solving, and relationship building, separate and apart from meeting and conferring or formal bargaining.
- B. The Supervisor's Unit shall be permitted to meet as a group for up to a maximum of two (2) hours on Agency time, twice per calendar year.

Section 5.04. - Savings Clause

If any article or section of this contract shall be held invalid by operation of laws or by any court of competent jurisdiction, the remainder of this contract shall not be affected thereby. In the event that any section is held invalid, the parties agree to immediately enter into negotiations for the purpose of arriving at a mutually satisfactory replacement of the invalidated section or article.

Section 5.05. - Zipper Clause

This MOU constitutes the full and complete understandings, duties, and obligations between both parties and may not be altered, changed, added to, deleted from, or modified except through the voluntary, mutual consent of the parties in written and signed amendment to this Agreement.

The parties acknowledge that during negotiations which resulted in this MOU, each had the unlimited right and opportunity to make demands and proposals as to any subject matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Agency and the Association, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and agrees that the other shall not be obliged to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, unless mutually agreed, even though such subject or matter may not have been within the knowledge or contemplation of either or both parties at the time that they negotiated or signed this Agreement.

Section 5.06 - Self Contained Breathing Apparatus

Unit members shall not be required to use or be trained on the use of a Self-Contained Breathing Apparatus (SCBA) nor shall they fall under the Agency's Respiratory Protection Program.

ARTICLE 6 - FILLING OF VACANCIES

Section 6.01. - General

Vacancies may be filled by appointment, transfer, demotion, or promotion or by the use of a temporary employee (not to exceed twelve (12) months), as deemed in the best interest of the Agency, by the General Manager, or designated representative(s).

Section 6.02. - Filling of Vacancy

Whenever a vacancy occurs in the Agency's staff or labor force, the General Manager, or designated representative(s), shall decide by what manner the vacancy is to be filled.

- A. Insofar as possible and practical and in keeping with the best interests of the Agency, vacancies may be filled with existing employees of the Agency, subject to the following conditions:
- 1) A current Agency employee submits a completed application form for the vacant position.
 - 2) The employee requesting consideration demonstrates or possesses the experience and/or education and other qualifications that the position requires.
 - 3) An employee scores competitively on examinations, if given.
 - 4) In cases where more than one employee applies and all other factors are equal, seniority in terms of employment with the Agency shall prevail.
- B. Employees shall be evaluated for promotion or advancement based on the following criteria including but not limited to:
- 1) Overall work performance.
 - 2) Knowledge, training, ability, skill, efficiency, and overall job performance.
 - 3) Job-related work experience and education including certificates and degrees.
 - 4) Cooperative working relationships with those contacted in the course of work.
 - 5) Physical and mental ability to perform, with reasonable accommodation if disabled, the essential functions of the job.
 - 6) Attendance records with the Agency.
 - 7) Seniority with the Agency.
- These criteria shall be evaluated only based upon the requirements of the position or classification for which the employee is being considered.
- C. Qualified Agency employees may apply for a transfer or promotional position within the Agency.

ARTICLE 7 - EMPLOYMENT APPLICATIONS AND APPLICANTS

Section 7.01. - Application Forms

Employment applications shall be made online and/or on forms approved by the General Manager or designated representative(s) and provided by the Agency's Human Resources Department. These forms shall require information regarding education, prior work experience, training, references, and other information related to the job for which the applicant is applying. All applications shall be signed and dated by the applicant under a penalty of perjury. Any falsification of information on an application form may disqualify an applicant.

Section 7.02. - Physical Examination and Condition

After a conditional offer of employment has been made to a job applicant, and prior to the commencement of employment with the Agency, all selected applicants shall be required to undergo a physical examination and evaluation which may include drug and/or alcohol screening performed by a physician selected by the Agency. Employees, in certain classifications, may further be required to undergo additional periodic physical examinations and/or receive certain anti-toxin injections during their employment with the Agency. The expense involved in such examination(s) shall be borne by the Agency. The evaluation of an employee's physical ability to perform the job shall be made only on the basis of the essential functions of the position for which the employee is applying.

Section 7.03. - Employment Tests

Applicants for all positions, as determined by the General Manager, or designated representative(s), shall be subjected to oral, written and/or performance tests. Only applicants who demonstrate an acceptable level of knowledge, skills, and abilities required for the position shall be considered for employment. If there is a job-related requirement for the position, a working knowledge of written and spoken English must be demonstrated by all applicants.

Section 7.04. - Acceptance of Applicant

Prior to hiring, the application and pertinent information of the applicant shall be reviewed by the General Manager, or designated representative(s). Said applicant will be approved for, or recommended for, employment on the qualifications that the Manager, or designated representative(s), deem pertinent to the position or classification. Refer to Section 5.01 of this MOU for those items which shall not be adjudged pertinent.

Section 7.05. - Rejection of Applicant

The General Manager, or designated representative(s), may reject an application, or, after examination, may disqualify the applicant, if the applicant:

- A. Is found to lack any of the requirements, certifications, or qualifications for the position involved;
- B. Is physically or mentally incapable of performing the essential functions of the job, with or without reasonable accommodation, based on competent medical/psychological evidence, including, but not limited to, impairment caused by current illegal use of drugs; or current abuse of alcohol;
- C. Has made false statements of any material fact, or practiced any deception or fraud on the application, declarations or in securing eligibility or appointment;
- D. Is found by the Agency's automobile insurance program to be uninsurable if the essential functions of the job require the employee to be insured;
- E. Has been convicted of a crime, either a misdemeanor or felony, that relates to the position duties that the applicant would perform;
- F. Has used or attempted to use political pressure or bribery to secure an advantage in the employment process;

- G. Has directly or indirectly obtained information, in advance, regarding employment tests;
- H. Has failed to complete and/or submit the employment application correctly or within the prescribed time limits;
- I. Has had the privilege to operate a motor vehicle in the State of California suspended or revoked within the past twelve (12) months if operating a motor vehicle, requiring a driver's license, is an essential function of the job for which they are applying;
- J. Has a job history which, in the judgment of the General Manager, or designated representative(s), would render the applicant ineligible for the position, including a prior discharge from the Agency.

Section 7.06. - Background Investigations

After a conditional offer of employment has been made to a job applicant, and prior to the commencement of employment with the Agency, all selected applicants shall be required to allow the Agency to conduct a background investigation. Said investigation shall include verification of prior employment, verification of education, fingerprinting, credit check (for positions that regularly are involved in financial transactions) and any other information necessary to evaluate an applicant's qualifications for the position.

ARTICLE 8 - PERSONNEL RECORDS

Section 8.01. - General

- A. Personnel records are by nature confidential, and the General Manager, or designated representative(s), shall establish procedures to maintain this confidential nature (refer to Agency Policy A-58).
- B. The contents of any personnel file or record shall only be released by the Manager of Human Resources or designated representative(s) and only to the employee; the employee's designee upon written authorization of the employee; upon court order; on a need-to-know basis to the respective manager/supervisor; legal representatives of the Agency relative to personnel actions.
- C. The General Manager, or designated representative(s), shall maintain as a portion of the personnel records the employee's qualifications, education, achievements, and other classified and confidential information as well as the following standard forms:
 - 1) Application Form
 - 2) Employment Record
 - 3) Periodic Performance Appraisals
- D. A separate medical file shall be established by the Human Resources Department for each employee. This file shall be maintained in accordance with the Agency's records retention schedule, and in a confidential manner.
- E. The General Manager, or designated representative(s), and the employee shall be empowered and charged to cause entries to be made in the employee's personnel

file and each employee shall have the right to review their file to assure said personnel file is current and complete.

- F. Disciplinary actions of less than and including a suspension of five (5) days or less will be expunged from the employee's personnel file after two (2) years upon written request of the employee to the Manager of Human Resources if the employee has not been subject to any formal discipline during the two (2) year period.
- G. Employees must maintain with the Agency a current address and phone number.

ARTICLE 9 - PROBATIONARY PERIODS

Section 9.01. - Regulations

- A. Generally, original and promotional appointments shall have a probationary period of six (6) months. The Department Manager may, in special circumstances, establish an original probationary period of one (1) year. Said probationary period shall be declared in any offer letter. There are two (2) types of probationary periods:
 - 1) Original Probation - as defined in Section 4.17.A of this MOU.
 - 2) Technical Probation - as defined in Section 4.17.B of this MOU.
- B. Upon approval of the Department Manager, or designated representative(s), the probationary period may be extended a maximum of an additional six (6) months.
- C. Prior to the completion of an original or technical probationary period, the probationary employee's supervisor or the manager of the department in which the employee works, shall prepare a performance appraisal reporting the quality of the required skills, knowledge and ability to successfully perform the job as stated in the probationary employee's job classification specification. This appraisal shall be reviewed with the probationary employee and a signed copy presented to the Department Manager, or designated representative(s), along with a recommendation to retain the employee, or discharge the employee. In the case of the technical probationary employee, the employee may be reclassified or returned to the employee's former classification or position as provided for in Section 9.02.B and Section 9.02.C.
- D. In the case of an original probationary period of one (1) year, employees who have completed six (6) months may begin using accrued sick leave, vacation leave and/or floating holidays.
- E. The time required for original probationary periods shall be extended by any time an employee is on an authorized leave of absence, with or without pay, which exceeds ten (10) calendar days during the Original Probationary period or during the first six (6) months of employment in the event of a one (1) year original probationary period.
- F. In the case of an original probationary, limited term employees promoted and/or reclassified to regular in the same classification and who have previously completed six (6) months employment may use accrued sick, vacation leave and/or floating holiday.

Section 9.02. - Technical Probation

- A. In those cases where multiple changes in classification or position occur within said technical probation period, the maximum technical probation period will be at the discretion of the Department Manager, or designated representative(s).
- B. A regular employee who is promoted shall be subject to a technical probationary period of six (6) months (or up to one (1) year in the event of a special circumstance) during which time the employee must demonstrate the ability to function in the new classification. If at any time during the technical probationary period the employee or the Agency determines the employee is not qualified or suited to said position, the employee may elect, or the Agency shall return said employee to the employee's previous classification. A decision by the Agency to return an employee to the previous classification is not grievable.
- C. If a vacancy exists in a different classification, said employee may be reclassified at the discretion of the Department Manager, or designated representative(s), in consultation with the Human Resources Department.
- D. An employee who satisfactorily completes Technical Probation and who is on Step 1 shall receive a merit adjustment based on their latest performance appraisal.
- E. Range placement and future step advancement dates upon unsuccessful completion of technical probation are as follows:
 - 1) The employee will be placed on the same range and step for the classification as the employee was on prior to the time they were promoted.
 - 2) The employee will be eligible for the next step advancement on the anniversary date of the original position prior to being promoted.

Section 9.03. - Dismissal During the Probationary Period

- A. During the original probationary period, an employee may be discharged by the Department Manager, or designated representative(s), without cause and without any right to appeal. Written notification of the discharge shall be served on the probationary employee by the immediate supervisor, or designated representative(s), and a copy shall be filed with the Department Manager, or designated representative(s).
- B. If an opening exists in a different position or classification, the employee may, at the Department Manager's, or designated representative(s), discretion, be offered the position in lieu of termination. The employee will be required to serve another six (6) month probationary period in the new position.
- C. The final decision of the above action(s) will be at the sole discretion of the Department Manager, or designated representative(s).
- D. Any employee who is discharged during their original probationary period shall receive their final compensation, including any accrued vacation leave, at the time they are terminated.
- E.

ARTICLE 10 - CLASSIFICATION, COMPENSATION AND PAY PERIOD

Section 10.01. - Classification/Compensation Plan

In addition to this MOU, the General Manager, or designated representative(s), shall maintain a file which shall contain the following:

- A. A nine (9) step compensation plan to include a listing of internal salary relationships among classifications, and benchmark classifications for purposes of establishing salaries for each classification within the Agency. The compensation plan shall also include salary and/or hourly rate schedules for all classifications.
- B. Classification specifications for each job classification utilized for making appointments to all positions within the Agency. Class specifications shall define the principal duties, responsibilities, and minimum qualifications required of each classification. The General Manager, or designated representative(s), shall determine and set forth the duties and responsibilities as they are to be presented in said class specifications. Assignments may be varied or interchanged to meet the needs of the Agency.

Section 10.02. - Classification Revision and Reclassification

- A. The initial classification established in the above plan may be amended, combined, or abolished and new classifications set forth by the General Manager, or designated representative(s). In addition, any position may be reclassified to a different classification by the Human Resources Manager, or designated representative(s), when there is a change in the duties and responsibilities of the position or other sufficient cause. Any non-voluntary reclassification of a position to a different classification shall result in an employee being placed into the appropriate pay range for the new position. A demotion is not considered a non-voluntary reclassification.
- B. If an employee believes that their duties and responsibilities have changed significantly, the employee may request a classification study of their position. Such request must be submitted in writing to the General Manager, or designated representative(s).

Section 10.03. - New Positions

Any new position and/or classification that is established shall comply with this MOU and shall be allocated to the Agency's classification and compensation plan by the General Manager, or designated representative(s).

Section 10.04. - Compensation

- A. Adjustments, if any, to salary ranges of employees covered by this MOU shall be made as negotiated between the Unit and the Agency and shall become part of this MOU.
- B. Effective July 1, 2024, the Agency shall implement an 8.0% base salary increase.*
- C. Effective July 1, 2025, the Agency shall implement a 3.0% base salary increase.
- D. Effective January 1, 2026, the Agency shall implement a 3.0% base salary increase.

- E. Effective July 1, 2026, the Agency shall implement a 3.0% base salary increase.
- F. Effective January 1, 2027, the Agency shall implement a 3.0% base salary increase.

Only those persons who are Agency employees and working for the Agency on the date this MOU is approved by the Board of Directors, or on the date the base salary increase is actually implemented, whichever is later, are entitled to the base salary increases set forth above.

- G. All base salary increases provided for in this MOU shall be implemented on Step "1" of the salary matrix and incrementally implemented through Step "9".

*2024 salary increases identified in section 10.04.B shall be retroactive to July 1, 2024.

Section 10.05. - Preparation of Compensation Plan

A nine (9) step compensation plan shall be prepared by the General Manager, or designated representative(s), to establish the rate of compensation and consideration for all classifications and all positions within said classifications. In determining the compensation rates for the various classifications, considerations may be given to the Agency's financial status, the current cost-of-living, local prevailing rates of compensation for like or comparable employment in public or private agencies, working conditions, fringe benefits, and any other relevant factors. The rates of compensation shall be arranged in clear and understandable tables entitled "Hourly and/or Salary Rate Schedules" which shall be made a part of this MOU.

Section 10.06. - Adoption of Compensation Plan

The nine (9) step compensation plan shall be adopted by the Board of Directors of the Agency and made a part hereof, and will be on file with the General Manager, or designated representative(s). Such compensation plan may only be amended or revised after the parties have met and conferred on any proposed amendments and or revisions.

Section 10.07. - Salary Adjustments and Step Advancements

The procedures for step advancements within each salary range are set forth as follows:

- A. New employees shall be hired at Step "1" of the established salary range for their classification. Variable entrance steps may be established if justified by recruitment needs through Step "9" with the approval of the General Manager, or designated representative(s).
- B. Within the base salary range, all step advancements will be effective on the first day of a pay period. Approval for advancement shall be based upon merit and completion of required length of service in the classification. Step advancements within each salary range shall be in increments of approximately two and a half percent (2½%).
- C. Upon completion of a probationary period, advancement in step(s) shall be based on performance as provided in Section 12.05. Except in cases where employees have exhibited Outstanding performance as provided in Section 12.05.E, other advancements shall be based on performance as provided in Section 12.05.B, and are contingent upon completion of one (1) year.

- D. The time required for step advancement shall be extended by any time an employee is on an authorized leave of absence with or without pay, which exceeds thirty (30) calendar days (see Section 12.01.E).
- E. The General Manager, or designated representative(s), may authorize the adjustment of the range step or pay rate of an employee to maintain salary equity within the system, to prevent undue hardship or unfairness due to the application of any rule or policy, to correct any payroll error or omission including any such action which may have arisen in the prior fiscal year, or to correct any wage inequity.

Section 10.08. - Authority of General Manager

The General Manager, or designated representative(s), is hereby authorized to employ personnel to fill openings allocated by the Board of Directors within the exempt and non-exempt classifications. Within a classification, the General Manager, or designated representative(s), shall have the authority to practice discretion in assigning the position in which the employee shall be employed. Additionally, they are authorized to establish new classifications provided that the total number of authorized positions does not exceed the number of positions authorized by the Board of Directors. The General Manager, or designated representative(s), is further empowered to promote, demote, or transfer employees from one position to another and from one classification to another provided there is a vacancy in a classification allocated by the Board of Directors or established by the General Manager, or designated representative(s).

Section 10.09. - Acting Pay

An employee who is designated by the Agency as temporarily Acting in a higher classification shall receive a minimum increase of two (2) steps (approximately five percent (5%) more than their normal rate of pay, or shall be placed on Step "1" of the range of the classification in which the employee is Acting, whichever is higher. However, the employee's base salary shall not exceed Step "9" of the range established for the Acting classification at any time. An employee shall receive Acting Pay until officially released from those duties with the following conditions:

- A. If the position within the classification for which the employee is Acting is vacant and the law (California Government Code § 20480) limits the Acting Assignment to nine hundred sixty (960) hours, the Agency will adhere to such limitation.
- B. Acting Pay will be effective at the beginning of the first full pay period following the effective date of placement in the Acting Assignment.
- C. To the extent permitted by law, Acting Pay is Special Compensation for classic members as defined under the Public Employees' Pension Reform Act (PEPRA) of 2013. shall be reported to CalPERS pursuant to Title 2 CCR, Section 571(a)(3) Temporary Upgrade Pay. This pay is not reportable as special compensation for employees defined as "new members" under PEPRA. However, CalPERS ultimately determines whether any form of pay is reportable special compensation.
- D. Unless otherwise limited by law, an employee shall receive Acting Pay for a maximum of twenty-six (26) consecutive pay periods. Under special circumstances, the General Manager or designated representative(s) may authorize an extension to meet the Agency's needs. If not extended, the performance of the acting duties will end simultaneously with the acting pay.
- E. During an Acting Assignment, the employee will remain part of the bargaining unit

corresponding to the classification of their normal position.

- F. Any employee on original probation shall not be appointed to an acting position.
- G. If the employee is scheduled to receive a merit increase in their normal position while serving in an Acting Assignment, the employee shall receive a corresponding increase in Acting Pay, not to exceed Step "9" of the classification in which the employee is acting, if the new spread between their new normal rate of pay and the Acting rate of pay becomes less than approximately five percent (5%). The employee's merit review date shall not be affected by working in an Acting Assignment unless they are appointed to the position in the classification in which they were 'Acting'. If that occurs, their review date shall be adjusted to coincide with the date they started in the Acting Assignment or as provided in paragraph G below.
- H. If an employee who is receiving Acting Pay, or has received Acting Pay in the last 24 months and is continuously employed, is promoted to permanently fill the position in the classification in which they are or were Acting, the time in the Acting Assignment shall be credited to the employee's total time worked in the position. Any merit increase received by the employee (not to exceed Step "9" of the salary range for the classification) will be awarded at the conclusion of the technical probationary period or upon the completion of working one (1) year in the position (including all time they were receiving Acting Pay), whichever comes first. All subsequent merit reviews shall occur every twelve (12) months thereafter.
- I. Employees who believe they have been assigned by management to temporarily perform the significant distinguishing duties of a higher classification a majority of the time, who have not been placed in an acting pay status with acting pay as authorized under this provision, may file a written request with the Human Resources Department for a review of the assigned duties.
- J. Employees must make their request for review to the Human Resources Department within thirty (30) calendar days after they first believe they have worked within the higher classification for at least one hundred sixty (160) hours. Requests for review not presented within this thirty (30) calendar day period shall be considered, but the eligibility for retroactive payment will be limited to the 30 calendar days prior to the request for review.
- K. The Human Resources Department will review requests and at the end of the review, if the Human Resources Department determines requirements for acting pay are met, the Agency will either:
 - approve the retroactive payment to a date established by the Department, or
 - return the employee to their duties within their classification and approve a retroactive payment to a date established by the Department,
- L. Similarly, if after a review by the Human Resources Department, if the requirements for acting pay are not met, the employee will be notified, and no further action will be taken.

Section 10.10. - Official Business Pay Authorization

Any employee of the Agency may be authorized to attend business and other matters of

interest to the Agency outside the Agency area and for time periods which exceed the normal workday on the date of attendance. Employees on such assignment, at the Agency's request, must have prior approval for compensation at their normal rate of pay for the number of hours they would normally work on the day of attendance.

Section 10.11. - Pay Periods

All employees of the Agency shall be paid biweekly. Payroll shall be distributed every other Friday by 10:00 a.m. If a payday falls on a holiday, the payroll will be distributed on the preceding Thursday. At Thanksgiving, and when Christmas falls on a Thursday, the payroll will be distributed on Friday.

Section 10.12. - Salary Test of FLSA

Exempt employees will not have their pay docked or reduced in any manner that would be inconsistent with the salary test of FLSA.

Section 10.13. - Promotional Compensation

An employee who is promoted from one classification to a higher classification shall receive a minimum salary increase of two (2) steps (approximately five percent (5%) more than their current rate of pay, or shall be placed on Step "1" of the range established for their new position, whichever is higher; however, the employee's salary shall not exceed Step "9" of the new salary range.

Section 10.14. - Direct Deposit

All employees of the Supervisors Unit shall be compensated only by the use of direct deposit. The only exception shall be when setting up a new employee into the payroll system, for a period not to exceed three (3) pay periods while an employee changes financial institutions, or final (retirement/resignation/termination) payrolls.

Section 10.15. - Differential Pay

Differential pay shall be paid to non-exempt employees at the rate of six percent (6.0%) for actual hours worked at Agency facilities between the hours of 7:00 PM and 5:00 AM.

Section 10.16. - Timesheets

Each employee shall complete a biweekly timesheet. All timesheets are to be filled out using the Agency's identified time entry system. . Either party may during the term of this MOU reopen this section, to establish new and/or additional timesheet requirements due to changes in payroll processing.

Section 10.17. - Overtime Compensation

- A. A non-exempt employee who is required by the nature of their position or by emergency situations to work in excess of forty (40) hours during their standard work schedule shall be paid overtime at one and one-half (1½) times the employee's regular rate of pay. Only longevity leave, bereavement leave, vacation leave, holiday, floating holiday, STAR Award, and jury duty shall count as hours worked when computing overtime. If a holiday falls outside of an employee's regular shift and the employee does not actually work on the day of the holiday, the holiday shall not count as hours worked.

- B. The General Manager, or designated representative(s), is authorized to determine the circumstances where overtime pay is justified in rare and unusual circumstances.
- C. A non-exempt employee who works overtime during the period of time that a differential pay is paid, shall receive the differential when working overtime. For the purpose of such computation, the differential shall be added to the employee's standard regular rate before the regular rate is multiplied by one and one-half (1½).
- D. Except in the case of a Federal, State, or local emergency, no employee shall work in excess of sixteen (16) consecutive hours in any twenty-four (24) hour period and shall have at least an eight (8) hour continuous break between shifts and at least two 30 minute meal breaks within the sixteen (16) hours.

Section 10.18. - On-call

- A. On-call shall first be assigned to operators.
- B. In the event that the Operations Supervisor is not available to be on on-call, it is incumbent upon their to make prior arrangements with a qualified Operator to serve in such capacity in their absence.
- C. If the Operations Supervisor is receiving a full day's pay from sick, vacation, and/or floating holiday, they shall not receive on-call compensation.
- D. Operations Supervisors are expected to respond to emergency phone calls twenty-four (24) hours a day, seven (7) days a week at various locations if necessary. Operations Supervisors are not expected to respond to non-emergency communications unless they are assigned to on-call duty.
- E. On-Call Pay
 - 1) Operations Supervisors shall receive Operator on-call pay when they are the acting on-call Operator.
 - 2) Management has the right to assign employees to on-call duty to achieve the most effective and efficient response time. An employee assigned to on-call duty will be assigned at a minimum a laptop and cell phone. On-call duty is not counted as hours worked when computing overtime.
 - 3) On call duty begins at the end of the employee's shift and ends at the start of their next shift. For employees assigned to work the "standard shift" (6:00 am – 4:00 pm); on call duty shall start at 4:00 pm and ends at 6:00 am.
 - 4) On-call pay shall be paid at the employee's current normal rate of pay for each day the employee is assigned to on-call duty. Management has the right to assign on-call duty to a qualified operator for multiple facilities. Employees assigned to on-call shall be compensated as follows:

North (RP1, RP4)	
One (1) facility	3 hours
Two (2) facilities	4 hours

South (RP2, RP5, Desalter, CC)	
One (1) facility or two (2) facilities	3 hours
Desalter Only	2 hours
Three (3) facilities	4 hours

RW Distribution on-call shall receive 1 hour
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- For the purposes of this section, facility(ies) shall include regional plant(s) and associated remote stations (i.e., lift stations, wells, etc.).
- 5) Two (2) hours of on-call pay shall be paid at the employee's current normal rate of pay for each holiday the employee is assigned to on-call duty, in addition to the on-call compensation in Section 10.20.
 - 6) Employees receiving a full day's pay from sick or vacation leave shall not be considered as available for duty. An employee may agree to be available for on-call duty while on vacation leave.
 - 7) An employee assigned to on-call duty is required to respond to and address alarm(s) immediately. Contact by the on-call operator with the supervisor is considered immediate response however the on-call employee is still responsible for responding fully to the alarm condition.
 - 8) An employee assigned to on-call duty must be reachable and available to respond to alarm(s). An employee who fails to respond to alarm(s) when assigned to on-call duty shall not receive on-call pay for that day and may be subject to disciplinary action.
 - 9) If an employee who is scheduled for on-call duty works sixteen (16) consecutive hours, on-call duty may be reassigned to another employee.

Section 10.19. - Assignment Stipend Pay

Any operations supervisor designated as or acting as the Chief Plant Operator (CPO) will receive stipend pay in the amount of one hundred dollars (\$100) per pay period.

Section 10.20. - Exempt Employee Flex Time

If an exempt employee is working excessive hours, the supervisor of the employee shall make every attempt to flex hours in consideration of the extra time worked beyond forty (40) hours.

ARTICLE 11 - BENEFITS

Section 11.01. - Medical Benefits/Life Insurance Plans

A. Health Benefits

The Agency shall contribute the minimum health premium contribution established for contracting agencies by CalPERS towards the cost of premiums for health insurance under the CalPERS Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and their eligible dependents. The contribution shall be adjusted annually by CalPERS to reflect any changes in the medical care component of the CPI-U and shall be rounded to the nearest dollar by CalPERS. For employees who do not purchase Agency provided health insurance, the PEMHCA shall be paid to the employee as ordinary income.

B. Additional Benefit

- 1) The Agency shall make a monthly contribution for each employee as follows:
 - a. Effective January 1, 2025, the Agency will contribute two thousand two hundred dollars (\$2,200) per month.
 - b. Effective July 1, 2026, the Agency will contribute two thousand three hundred dollars (\$2,300) per month.
- 2) Employee Only, Employee +1, and Employee & Family: If the cost of the combined premiums for health, dental, vision, and basic life insurance (including dependent coverage) is less than the Agency's monthly contribution, the Agency shall pay the difference to employees as ordinary income, provided that the employee is enrolled and maintains membership in a CalPERS health plan for themselves including their eligible dependent(s). While on Unpaid Status, as defined in Section 1.28, the employee shall not receive this allotment.
- 3) Employee Opt-Out: If the cost of the combined premiums for vision, dental and basic life insurance (including dependent coverage) is less than the Agency's monthly contribution, the Agency shall pay the difference to employees as ordinary income, provided that the employee is able to show proof that they obtain and maintain health insurance through another source for themselves. The Agency may require proof of health insurance at any time. While on Unpaid Status, as defined in Section 1.28, the employee shall not receive this allotment.

Pursuant to the Affordable Care Act (ACA) Employer Mandate "affordability" determination, an Eligible Opt-Out Arrangement requires the following for employees who opt-out of employer-provided health coverage and receive cash in lieu:

- a. Employee must provide reasonable evidence that the employee and each member of the employee's expected tax family (individuals the employee expects to claim personal exemption deduction) have or will have minimum essential coverage (other than coverage in the individual market, whether or not obtained through Covered California) during the period of coverage to which the opt-out arrangement applies;
- b. The opt-out payment may not be made if the employer knows or has reason to know that the employee or any other member of the

- employee's expected tax family does not have or will not have the alternative coverage;
- c. The evidence of alternative coverage must be provided every plan year to which the eligible opt-out arrangement applies; and
 - d. The reasonable evidence will serve as an attestation signed by the employee, attesting to the above, and must be provided no earlier than a reasonable period of time before each plan year begins.
- 4) Effective January 1st of every calendar year, any increase in the monthly contributions set forth above shall be based on the "blended rate" of the average increase in premiums, if any, of the two health benefit plans with the most Agency subscribers as of August 1 of the prior calendar month. The "blended rate" shall be calculated by averaging the annual percentage increase and/or decrease of the basic premium rates, as determined by CalPERS, of the two health plans with the most Agency subscribers on December 1 of each calendar year during the duration of this MOU. Any increase in the monthly contributions based upon the "blended rate" shall be capped at six and a half percent (6.5%) per calendar year. If the "blended rate" percentage decreases, the then-current medical cap will remain unchanged.
 - 5) Should an employee's work hours be reduced by twenty-five percent (25%) or more of their normal working schedule due to a light duty assignment and/or doctor's orders for more than twelve (12) weeks or as provided under FMLA, the employee shall receive the difference between the monthly insurance allotment and the actual cost of their health, dental, vision and/or life insurance benefits on a pro-rated basis (i.e., works seventy-five percent (75%), receives seventy-five percent (75%) of the difference between the monthly insurance allotment and the actual insurance costs). The Agency shall continue to pay the PEMHCA contribution from Section A above. Any adjustment shall be made to the amount of the additional benefit.
 - 6) Except as provided for in Section 11.01.B.2, an employee must be in a paid status for a minimum of sixty (60) hours per pay period to receive the difference between the monthly insurance allotment and the actual cost of their health, dental, vision and/or life insurance benefits. The Agency shall continue to pay the PEMHCA contribution from Section A above.
 - 7) An Agency-paid fifty thousand dollar (\$50,000) life insurance policy is provided to each Unit employee.
 - 8) Supplemental Life Insurance is made available to employees at their expense through the Agency's life insurance carrier.
 - 9) The Agency will provide Domestic Partnership health insurance coverage as provided through CalPERS and California State law. The extension of health insurance through CalPERS shall not change or modify any other benefit offered by the Agency unless said benefit is specifically authorized by this MOU.

C. Retiree Health Benefits

The Agency shall contribute the minimum contribution established for contracting agencies by CalPERS plus administration costs towards the cost of premiums for health insurance under the CalPERS Public Employees Medical and Hospital Care Act (PEMHCA) for each annuitant who retired from the Agency through CalPERS and who enrolls in a CalPERS health plan as a retiree. The contribution shall be adjusted annually by CalPERS to reflect any changes in the medical care component of the CPI-U and shall be rounded to the nearest dollar by CalPERS.

- 1) Payment for the retiree health insurance benefit minimum PEMHCA contribution shall be made directly to CalPERS for the benefit of the retiree each month.
- 2) Only employees who retire after July 4, 2004, shall have the option of purchasing health insurance from CalPERS or a provider of their choice without any loss in benefit. If the retiree so chooses to purchase their health insurance from a provider other than CalPERS, the retiree will be reimbursed on a monthly basis for their benefit via direct deposit to the retiree's (or surviving spouse's) bank account, up to the maximum benefit provided. Retirees are responsible for any taxes that may be due on retiree health benefits.

D. Additional Retiree Longevity Benefits

The Agency shall contribute an additional monthly benefit to each retiree minus the minimum PEMHCA contribution or \$133.00, whichever is greater, according to the chart below whom simultaneously retires from the Agency through CalPERS and who is a minimum age of fifty-five (55).

Hire Date	Benefit Level	Minimum Years of Agency Service	Benefit
Before Jan. 1, 1992	Employee and/or eligible dependent(s)	20	50% of applicable Kaiser Rate*
After Dec. 31, 1991	Employee only or surviving spouse	12	50% of applicable Kaiser Rate*

*The applicable Kaiser rate is equal to the rate for the region in which the retiree resides, plus administration costs.

The longevity benefit is available to qualifying retirees whether they enroll in a CalPERS medical plan or not. The retiree will be reimbursed on a monthly basis for their retiree longevity benefit via direct deposit to the retiree's (or surviving spouse's) bank account, up to the maximum benefit provided. Retirees are responsible for any taxes that may be due on reimbursement of retiree longevity benefits.

Section 11.02. - Retirement Plan

- A. Each probationary and regular employee of the Agency shall participate with the Agency in a retirement plan under the California Public Employees' Retirement

System (CalPERS) and subject to such terms and conditions as the Agency, in its sole discretion, may contract with that system.

- B. All CalPERS member contributions shall be deducted on a pre-tax basis. Said contribution shall not be considered special compensation for the calculation of the employee's retirement benefits.
- C. Employees hired after January 1, 2013, and defined as "new members" under the Public Employees' Pension Reform Act of 2013 ("PEPRA"), Government Code section 7522, *et seq.*, will receive the 2% @ 62 formula and will pay one half (1/2) of their total normal cost rate as determined by CalPERS.
- D. The Agency contracts with CalPERS for the Pre-retirement Optional Settlement 2 Death Benefit (Section 21548). This benefit provides that, upon the death of a member who was eligible to retire, the spouse may receive an allowance equal to the amount the member would have received if the member had retired for service retirement on the date of death and elected option 2W.
- E. The Agency contracts with CalPERS for the One (1) Year Final Compensation Benefit (Section 20042) for all employees hired prior to January 1, 2012. This benefit provides that the final compensation used to calculate a member's retirement allowance is the average full-time monthly pay rate for the highest twelve (12) consecutive months.
- F. The Agency contracts with CalPERS for Military Service Credit Purchases (Section 21024). This benefit allows members to elect to purchase up to four (4) years of service credit for any continuous active military or merchant marine service prior to employment.
- G. The Agency has adopted Resolution #2009-4-2, which allows employees who make payments by payroll deduction for CalPERS service credit purchases to defer state and federal income taxes in accordance with IRC 414(h)(2).
- H. The Agency contracts with CalPERS for the 2.5% @ 55 Benefit Formula (Section 21354.4) for all employees hired prior to January 1, 2012. Employees in this plan will pay the full eight percent (8.0%) Employer Paid Member Contribution (EPMC).
- I. The Agency contracts with CalPERS for a second tier pension plan for employees hired on or after January 1, 2012 and prior to January 1, 2013, or who are hired after January 1, 2013, but were previously members in CalPERS or a reciprocal retirement system with less than six (6) months gap in service, i.e. "classic members" pursuant to Section 20475 which provides for the 2.0% @ 55 Benefit Formula (Section 21354) with three year final compensation. Employees in this plan will pay the full seven percent (7.0%) EPMC.

Section 11.03. - Long-Term Disability

All regular employees of the Agency are covered under an Agency paid for long-term disability plan with the following elements:

- A. Sixty (60) day elimination period.
- B. Sixty percent (60%) of the first ten thousand dollars (\$10,000) of monthly salary.

- C. The maximum benefit period is determined by the employee's age when disability begins.

The choice of carrier and other plan elements rests solely with the Agency. The Agency may elect to self-insure the plan.

Section 11.04. - State Disability Insurance

- A. State Disability Insurance (SDI) - Any employee who becomes disabled due to a non-work-related illness or injury will receive compensation benefits as established by the State Disability Insurance Fund.
- B. Paid Family Leave (PFL) - All California workers who are covered by the State Disability Insurance (SDI) program will also be covered PFL. The PFL program provides a maximum of eight (8) weeks of paid family leave benefits for workers who take time off as provided for by State law. PFL runs concurrently with State and Federal Family Leave.

Section 11.05. - Uniforms

Employees in authorized classifications shall be provided with uniforms. Employees who are provided with a uniform are required to wear the provided uniform during all working hours.

Section 11.06. - Safety Shoes

- A. Employees in authorized classifications and identified in the Agency's Safety Manual shall be required to wear appropriate safety shoes.
- B. Employees in authorized classifications and identified in the Agency's Safety Manual shall receive an annual allowance equal to three hundred dollars (\$300) per fiscal year for the purchase of safety shoes and inserts using the Agency P-Card assigned to the employee. Subsequent purchases must be approved by the Department Director or designee. Any amount charged by the employee to their Agency P-Card for the purchase of safety shoes and/or inserts that exceeds three hundred dollars (\$300) shall be deducted from the employee's paycheck.

Section 11.07. - Mileage Reimbursement

The Agency shall pay all employees mileage reimbursement in the amount established by the Internal Revenue Service. The employee shall submit a check request to receive reimbursement for mileage costs.

Section 11.08. - Certification Incentives

- A. An Operations Supervisor who receives a SWRCB Grade IV or Grade V wastewater treatment certification shall receive a one-time incentive payment of \$2000 per certification (maximum incentive total per Operations Supervisor is \$4000).
- B. An employee with a grade III or higher Advanced Water Treatment Operator certification will receive a \$1,000 stipend per calendar year every twenty-fifth (25th) pay period.
- C. The Agency will cover the cost of certification, licensing, and professional

membership payments and reimbursements that are directly related to the employee's position or based on operational need as determined by the Agency.

Section 11.09. - Educational Reimbursement

The Agency shall reimburse each member of the Unit up to five thousand two hundred fifty dollars (\$5,250) per fiscal year for the cost of educational expenses that are related to the employee's work at the Agency in accordance with the Educational Reimbursement program as provided for in Policy No. A-39. Unit members will be allowed to register for classes and/or courses prior to Agency approval for reimbursement.

Section 11.10. - Cellular Telephone Usage

In order to be available for emergency responses, Supervisors' Unit employees may receive an Agency provided cellular telephone in accordance with Agency Policy A-73.

Section 11.11. - 401 Governmental Money Purchase Plan & Trust (401a Plan)

Upon separation from service, all Supervisors' Unit employees who participate in the Agency's 401 Governmental Money Purchase Plan & Trust (401a Plan) shall contribute one hundred percent (100%) of paid leave accruals to the 401a Plan up to the annual contribution limit in effect at the time of separation.

Section 11.12 - Wellness Stipend

- A. Unit members not on original probation shall be entitled to a wellness stipend of five hundred dollars (\$500) per calendar year. The wellness stipend shall be paid every twenty-fifth (25th) pay period.
- B. Unit members shall no longer be eligible for Agency Policy A-78 Wellness Program. This language is meant to supersede all applicable contract language negotiated before June 30, 2024, as well as applicable Agency policy.

Section 11.13 - Deferred Compensation

- A. Unit members may borrow against their qualifying 457 plans, if allowed by the plan, subject to the terms and conditions of the deferred compensation plan.
- B. Effective up to 90 calendar days from date of ratification/IEUA Board approval, the Agency will contribute up to thirty-five dollars (\$35) per pay period as a matching contribution to a single 457(b) account of each employee who has made an elective deferral to the plan for that pay period.
- C. Effective July 1, 2025, the Agency will contribute up to sixty dollars (\$60) per pay period as a matching contribution to a single 457(b) account of each employee who has made an elective deferral to the plan for that pay period.
- D. Effective July 1, 2026, the Agency will contribute up to seventy dollars (\$70) per pay period as a matching contribution to a single 457(b) account of each employee who has made an elective deferral to the plan for that pay period.

Section 11.14 - Meal Reimbursement for Unscheduled Overtime

- A. Only an employee who is required to work in excess of three (3) hours of unscheduled overtime shall be eligible for the reimbursement of meal expenses. An employee, who is scheduled to work overtime as provided for in this provision, shall not be eligible for the reimbursement of meal expenses.
- B. Unscheduled overtime is defined as hours worked, in excess of a previously approved schedule, which are required and approved by the Agency, and the employee received ten or less hours of notice (i.e., being called-in, called-back, or staying over at the conclusion of a shift).
- C. Each employee who is required to work unscheduled overtime in order to perform official Agency business, shall be reimbursed for the actual cost of meal expenses, up to the maximum amounts stipulated in Section 11.14.D.
- D. The maximum amount that shall be reimbursed for overtime meals, including tax and gratuity, shall be limited to ten dollars (\$25.00) per meal. Employees shall be limited to one (1) overtime meal in any eight (8) to ten (10) hour period of overtime, or as authorized by the immediate Supervisor in emergency situations.
- E. Within ten (10) calendar days following the date an employee is required to work unscheduled overtime, they shall submit a "Petty Cash Reimbursement" form. Itemized receipts are required and shall be attached to the "Petty Cash Reimbursement" form. Requests for overtime meal reimbursement that are not accompanied with a receipt, or do not identify the restaurant where the meal was purchased, shall not be approved. Requests for overtime meal reimbursement that are not submitted within ten (10) calendar days of the date the unscheduled overtime was worked, may not be approved.
- F. The reimbursement for overtime meal expenses shall be processed in accordance with Agency Policy Number A-02, Petty Cash Reimbursement Requests, or may use a P-Card for purchases.
- G. All compensated overtime meals must be purchased within eight (8) hours after the overtime shift is completed.

ARTICLE 12 - PERFORMANCE APPRAISALS

Section 12.01. - General

The procedures for performance appraisals are set forth as follows:

- A. Each employee will be reviewed by their supervisor. This review will be made on a standard Agency performance appraisal form. The purpose of this appraisal is to cause a periodic dialogue between the supervisor and the employee. The supervisor shall take this opportunity to discuss the employee's performance. At this time, the employee may have the opportunity to converse with the supervisor without cause for jeopardy to the employee's position.
- B. The employee may submit a rebuttal to their performance appraisal. The rebuttal shall be reviewed by the employee's supervisor.

- C. The performance appraisal, and rebuttal if submitted, shall become part of each employee's official personnel file.
- D. All Unit members shall have a performance appraisal review at least once a year on September 15, for the previous July 1 to June 30 appraisal review period. In the event an employee receives a Below Expectations or Unacceptable rating they will receive a follow-up review in ninety (90) days unless otherwise stipulated (see Section 12.01.F).
- E. The due date for a performance appraisal and/or a merit increase shall be extended by the number of days the employee is actually out on an authorized leave of absence, with or without pay, that exceeds thirty (30) continuous calendar days (i.e., the employee is off for thirty-one or more (31+) calendar days, the date of the appraisal/merit date is advanced thirty-one or more (31+) calendar days. If the employee is off thirty (30) calendar days or less, no adjustment is made.
- F. In cases where no performance appraisal is filed, the employee should contact the Human Resources Department.
- G. All employees who receive an overall appraisal rating of Below Expectations or Unacceptable shall be reviewed ninety (90) days after the Below Expectations or Unacceptable appraisal was received by the employee.

Section 12.02. - Duty of Departments

It is the duty of the Supervisor to evaluate the work accomplishments and conduct of employees, to inform employees of their appraisals in writing, and to provide positive assistance to employees in improving work effectiveness.

Section 12.03. - Employee's Responsibility

It is the responsibility of the employee to meet standards established for work accomplishment and conduct, and to strive to improve work effectiveness.

Section 12.04. - Demotions

- A. If, in the opinion of an employee's supervisor, the employee is unable to perform duties and responsibilities which are within the requirements of their position, the supervisor may recommend a demotion without following the progressive discipline steps. The General Manager, or designated representative(s), shall have the authority to act on such recommendations and accept or reject such a demotion at their sole discretion in the best interest of the Agency.
- B. If an employee's classification or position is to be eliminated, in accordance with the Agency's classification plan, the employee may be offered a demotion to a lower classification or position for which the employee possesses the minimum qualifications.
- C. If an employee who is to be demoted has achieved regular status in their present position, such status shall be maintained after demotion. However, when demoted the regular employee's salary shall be adjusted to the salary range of their new position, representing a two (2) step salary reduction or Step 9, whichever is lower.
- D. Any demotion to prevent layoff may be reversed when the employee's previous

position is reopened. In the case of preventing a layoff, the employee being demoted will accept the pay rate of the new position.

- E. An employee who is to be demoted shall be given at least two (2) weeks written notice prior to demotion and shall be advised of their Skelly Rights.

Section 12.05. - Step Advancement/Performance

- A. The advancement of an employee within a classification shall be based on the employee exhibiting an increased ability, experience or educational level coupled with a history of meritorious service. The employee's supervisor shall evaluate the employee's qualifications and if merited, shall recommend advancement. The General Manager, or designated representative(s), shall have the authority to grant or reject recommended advancements.
- B. Employees who receive an annual performance appraisal with an overall performance rating of Meets Expectations shall be eligible to receive a one (1) step advancement, employees who receive an overall performance rating of Exceeds Expectations shall be eligible to receive a two (2) step advancement, and employees who receive an overall performance rating of Outstanding shall be eligible to receive a three (3) step advancement. In no instance shall the advancement place the employee higher than Step "9" of their salary range.
- C. A Meets Expectations or better performance appraisal will not be considered as justification for automatic advancement for employees who pass original or technical probation. Should an employee not be awarded a step advancement upon conclusion of their probationary period, they shall be eligible for a step advancement upon completion of one (1) year in the position.
- D. Advancements that are delayed because of late filing of recommendations shall be retroactive to the employee's benefit date when approved.
- E. An early step advancement may be granted to employees who have exhibited Outstanding performance. The due date of the next merit increase shall be upon completion of one (1) year from the date of the early step advancement (and paid in accordance with Section 10.08.G).
- F. Merit adjustments shall become effective as follows:
 - 1) If a merit increase is due during the first week of a pay period, the effective date of the merit increase shall be the first day of that pay period.
 - 2) If a merit increase is due during the second week of a pay period, the effective date of the performance appraisal/merit increase shall be the first day of the following pay period.
- G. Employees at the top step of their salary range, at the time of their appraisal, shall receive a one-time, lump sum, merit payment as follows:
 - 1) One percent (1%) of the employee's base annual salary for an overall performance rating of Meets Expectations.
 - 2) Two percent (2%) of the employee's base annual salary for an overall performance rating of Exceeds Expectations.

- 3) Three percent (3%) of the employee's base annual salary for an overall performance rating of Outstanding.

Section 12.06. - Denial of Step Advancement/Performance

- A. An employee who receives an overall rating of Below Expectations or Unacceptable shall be denied their step advancement. A written performance appraisal identifying the areas of weakness and what steps/actions the employee needs to take to improve their performance shall be provided to and discussed with the employee.
- B. After receiving an overall rating of Below Expectations or Unacceptable, the employee shall have a maximum of two (2) three (3)-month feedback evaluations to attain an overall rating of Meets Expectations or better.
- C. At the end of the maximum two (2) three (3)-month feedback evaluations, if the employee's performance is still not at an acceptable level, a formal performance appraisal will be prepared along with a written recommendation to extend the performance appraisal period up to a maximum of an additional six (6) months, or to discipline the employee in accordance with Article 17, as well as the reasons for the recommendation.

ARTICLE 13 - LEAVES OF ABSENCE

Section 13.01. - Pre-approved Leaves of Absence

Pre-approved leaves of absence, unless guaranteed by law, are leaves granted by the General Manager, or designated representative(s), in writing, before the absence, for any purpose outside of statutory leaves, at the convenience of the Agency, provided that the employee returns to work before or at the expiration of such leave of absence or any extension thereof. Special cases will be at the discretion of the General Manager, or designated representative(s). The Agency in granting leaves of absence shall treat alike all participants in similar circumstances.

Section 13.02. - Leave of Absence With Pay

- A. Any supervisor may authorize leave to any employee within the supervisor's department. This includes granting vacation, sick, court leave, bereavement or floating holiday within the terms of this MOU except unpaid leaves of absence.
- B. The authority for granting of all other leaves with pay and non-routine leaves with pay is at the sole discretion of the General Manager, or designated representative(s), unless guaranteed by law.

Section 13.03. - Leave of Absence Without Pay

- A. The General Manager, or designated representative(s), shall have the authority to grant leaves of absence without pay. No employee shall be eligible for a leave of absence without pay until the employee has two (2) or more years of continuous regular employment, except in cases where the law provides otherwise or as determined by the General Manager, or designated representative(s). In special cases, the General Manager, or designated representative(s), may waive the two (2) year employment requirement, if in doing so is in the best interest of the Agency.

- B. Unless otherwise provided by law, an employee shall not be eligible for a leave of absence without pay until all of the employee's accrued leave time with pay has been exhausted, and they have obtained the prior approval of the General Manager, or designated representative(s).
- C. An employee on inactive status may request, in writing, to continue participation in the Agency's insurance plans, at the employee's own expense for a defined period of time; i.e., until return to work on "active" status, or until a terminating event; i.e. permanent and stationary disability.
- D. An employee granted leave must return to work not later than the start of the first working day following the end of the leave.
- E. During the period of a leave of absence without pay, the employee shall not accept any other employment except with express written permission of the General Manager, or designated representative(s).

Section 13.04 - Leave Accruals Upon Separation

Regular and probationary employees who leave Agency employment shall be compensated for all eligible vacation leave, sick leave, and longevity leave time accrued but not yet taken, excluding that which is contributed to their 401a Plan, to the maximum of the vacation, sick leave, and longevity leave the employee is entitled to cash out. Compensation shall be at the employee's normal rate of pay at the time of separation.

Section 13.05. - Holidays

Subject to the conditions specified in this Section, the Agency designates the holidays specified as follows:

Holiday	Date	Duration
New Year's Day	January 1st	1 day
Martin Luther King, Jr. Day	3 rd Monday in Jan.	1 day
Presidents' Day	3 rd Monday in Feb.	1 day
Memorial Day	Last Monday in May	1 day
Juneteenth	June 19th	1 day
Independence Day	July 4th	1 day
Labor Day	1st Monday in Sept.	1 day
Veterans Day	November 11th	1 day
Thanksgiving Day & Day After	4th Thursday & Friday in November	2 days
Christmas Day & Day After	December 25th & December 26th	2 days
Floating Holiday	Employee's Choice	10 days

- A. All employees will be granted leave with pay for all holidays recognized by the Agency, with the exception of the following:

- 1) Appointees whose first day of work would have fallen on the holiday.
 - 2) A non-exempt employee scheduled for a normal shift at Agency facilities on a holiday as defined above (with the exception of floating holiday) shall be paid a holiday premium of one and one-half (1½) times their normal rate of pay for all hours actually worked, in addition to their holiday pay.
If the day of the observed holiday is different from the day of the actual holiday, only those employees working on the day of the actual holiday shall be entitled to this premium pay. Employees shall be paid this premium pay for hours worked beginning at 12:00 a.m. and ending at 11:59 p.m. on the day of the actual holiday. This premium pay shall be paid to employees for a maximum of one shift unless an employee is requested to work overtime by their supervisor.
- B. A non-exempt employee must work the entire scheduled workday before and after the holiday or be in approved pay status the entire scheduled day before and after the holiday (i.e., vacation) in order to receive pay for holiday leave. Unscheduled absences and sick leave shall not count as time worked on the day before and after the holiday unless medical certification is provided by a qualified medical examiner. In the event that the day before or after the holiday is the employee's regular flex day, the unscheduled absences and sick leave taken on the day before or after the flex day shall not count as time worked on the day before and after the holiday (e.g., The July 4th holiday is Thursday and the employee's flex day is Friday, the employee must be in an approved paid status on Wednesday and Monday to receive the holiday pay).
- If an exempt employee is sick the day before or after a holiday and is unable to provide verification of such illness from a qualified medical examiner, the employee shall be required to utilize vacation leave for the time missed.
- C. An employee whose regularly scheduled day off falls on an Agency recognized holiday who does not work due to the holiday, shall receive compensation or an increase in their vacation accrual, at the employee's option, equal to the number of hours of the employee's working day (e.g., Employee's flex day off is Friday and they work eight (8) hours on the other Friday of the same pay period, they will accrue an extra eight (8) hours of vacation time or holiday pay).
- D. For the purposes of holiday compensation, a day shall equal the number of hours that the employee normally would have worked other than for the holiday.
- E. Floating holidays will be credited to each employee on July 1. Floating holidays cannot be used during the Original Probationary period or during the first six (6) months of employment in the event of a one (1) year original probation and must be used by June 30 of the following year. Any remaining time will be forfeited. Prior approval to take floating holidays must be obtained from the employee's manager/supervisor. In cases where an employee must forfeit their floating holiday at the request of the Agency, the employee shall be compensated for their unused portion at their normal rate of pay at the end of the pay period corresponding with the last pay date in June. The amount of floating holidays credited to employees hired or promoted after the pay period corresponding with the first pay date in July of each year shall be pro-rated based on the number of pay periods remaining in the fiscal year.. Once an employee has tendered their resignation, the employee may not be permitted to utilize floating holidays. If the employee gives the Agency thirty or more (30+) days advance notice of separation, they may be permitted to utilize.

Unused floating holiday's time shall not be paid out upon separation from employment.

- F. Agency forms a Holiday Assessment Committee to evaluate current observed holidays. Increasing the number of holidays shall not be assessed, but rather the Agency's observed holidays. Committee shall be made up of 1 representative from each Association and the Employee and Labor Relations Advocate.

Section 13.06. - Vacation Leave

All employees shall accrue vacation leave time but may not use the accrued leave during the same pay period in which said leave is accrued. All original probationary employees shall accrue vacation leave but will not be able to use the accrued leave until completion of the original probationary period or completion of the first six (6) months of employment in the event of a one (1) year original probation. In case of a family emergency, an employee on original probation shall be permitted to utilize accrued vacation leave. Vacation leave is computed and administered as follows:

- A. All employees shall be entitled to accrue vacation leave with pay as follows:

Continuous Months of Service	Continuous Years of Service	Hours Accrued per Pay Period	Hours Accrued per Year	Maximum Accrual
0 - 60	0-5	3.077	80	200
61 - 72	6	3.692	96	288
73 - 84	7	4.308	112	336
85 - 108	8 - 9	4.923	128	384
109 - 180	10 - 14	6.154	160	480
181 - 239	15 - 19	6.769	176	528
240 and thereafter	20+	7.692	200	600

- B. The maximum length of a continuous vacation leave, which is not interrupted by working on the Agency's behalf, shall be equal to twenty (20) working days.
- C. Vacation leave periods which exceed the limits specified in Paragraph C above must be approved in writing by the General Manager, or designated representative(s), and in the best interest of the Agency.
- D. Vacation leave shall be limited to those days already earned by the last day of the vacation period. No advance of vacation leave shall be permitted, without the expressed written consent of the General Manager, or designated representative(s).
- E. Holidays that occur during an employee's vacation period shall not be considered as a vacation day.
- F. In cases where an employee forfeits vacation leave time at the request of the Agency, upon approval of the General Manager, or designated representative(s), said employee shall be compensated for forfeited vacation leave time at the employee's normal rate of pay. It is the employee's responsibility to schedule vacation time well in advance to avoid forfeiting their vacation or to avoid any conflicts.

- G. Employees who are on vacation leave shall be compensated at their normal rate of pay.
- H. Vacation leave shall be pre-approved by the employee's supervisor. The employee's wishes shall be considered in evaluating leave requests; however, the Agency's needs shall take precedence.
- I. Regular and probationary employees who leave Agency employment shall be compensated for all vacation leave time accrued but not yet taken to the maximum of the vacation leave the employee is entitled to accrue. Compensation shall be at the employee's normal rate of pay at the time of separation.
- J. An employee who is on unpaid status as defined in Section 4.30 shall not accrue vacation leave.
- K. Should an employee become ill or injured while on vacation leave, the employee shall be entitled to use sick leave upon approval of the employee's supervisor. The Agency reserves the right to investigate any illness or injury or require verification of any illness or injury for which an employee is claiming sick leave benefits.
- L. An employee must be in a paid status for a minimum of sixty (60) hours per pay period to receive the vacation accrual rates outlined in Section 13.05.A. Vacation accrual rates will be reduced for an employee who is not in a paid status for a minimum of sixty (60) hours per pay period using the following formula:

Accrual rate ÷ 80 hrs/pay period = adjusted accrual rate
Adjusted accrual rate x hrs paid = reduced accrual amount

For example: An employee in their thirtieth 30th month of employment, who is receiving pay for forty-three (43) hours in a pay period, shall accrue vacation at the following rate:

$$3.077 \div 80 \text{ hrs/pay period} = 0.0385$$

$$0.0385 \times 43 \text{ hours} = 1.6555$$

In this example, the employee would accrue 1.655 hours of vacation, rather than the regular amount of 3.077, for this pay period.

- M. **Vacation Leave Cash Out**
 - 1) By December 15 of each year, starting in 2024, employees may make an irrevocable election to cash out up to seventy percent (70%) of their annual accrued vacation hours which will be earned in the following calendar year. Cashing out of vacation leave shall only be available to employees who have completed thirty-six (36) months of service before the deadline of the irrevocable election due date.
 - 2) The employee will be paid for the unused accrued vacation hours [up to a maximum of seventy percent (70%) of their annual accrued vacation hours] they irrevocably elected to cash out in June and/or November of the following calendar year. The cash out will be paid at the employee's normal rate of pay in effect during the pay period when the cash out is paid. Cash outs will be made by ACH deposit.
 - 3) If an employee makes an irrevocable election to cash out vacation in the following calendar year and uses vacation in that subsequent year, the vacation used will come from vacation the employee had earned

prior to January 1 of the year the employee has elected to cash out vacation. This is to ensure that assuming an employee had a vacation balance prior to January 1, the vacation used will not result in a reduction in the amount of vacation the employee will be eligible to cash out.

- 4) Ad hoc elections for immediate cashouts due to financial hardship
 - a. In addition to the above, starting in 2024, an employee who has an unforeseen emergency is entitled to make a request to Human Resources, or designated representative(s), for a payoff of accrued vacation leave. The amount of vacation leave which may be paid off is limited to the amount necessary to meet the emergency. Additionally, ad hoc elections for immediate cashouts due to financial hardship shall only be available to employees who have completed thirty-six (36) months of service.
 - b. For this purpose, “unforeseen emergency” means a severe financial hardship to the employee resulting from (1) an illness or accident of the employee or the employee’s spouse or registered domestic partner, beneficiary, or qualifying tax dependent; or (2) loss of the employee’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance).

Section 13.07. - Sick Leave

All regular employees shall accrue sick leave time but may not use the accrued leave during the same pay period in which said leave is accrued. All original probationary employees shall accrue sick leave time; however, such employees will not be able to use the accrued leave until completion of the original probationary period or the first ninety (90) days in the event of a one (1) year original probation, except in emergency situations when approved in writing by the General Manager, or designated representative(s). Should an employee fail to complete the original probationary period, any advance of sick leave shall be deducted from the employee's final pay.

Paid sick leave is a privilege the Agency grants to employees to allow the continuation of pay and fringe benefits in case of personal (or family) illness and, as such, its usage should not be abused. Maintaining good attendance is a condition of employment and an essential function of your job. To minimize hardships that may result from illness or injury, the Agency provides paid sick time benefits in case of personal (or family member) illness/injury. However, periodic sick leave taken on a repeated basis may be viewed as abuse of the system. It is your responsibility to establish legitimate illness or injury to receive sick leave pay. This leave time is computed as follows:

- A. All regular and probationary employees shall accrue sick leave time at the rate of 3.692 hours per pay period or equivalent to ninety-six (96) hours per anniversary year.
- B. Regular employees shall be permitted to expend accrued sick leave time for the following reasons:

- 1) Employee is suffering illness or injury.
 - 2) Employee is placed on quarantine due to exposure to contagious disease.
 - 3) Employee requires medical treatment or examination including, but not limited to, health, dental, or vision.
 - 4) Death in the employee's family member. Up to ten (10) working days of sick leave may be used for bereavement purposes
 - 5) Illness or injury in the employee's family member.
 - 6) Special cases require approval of the General Manager, or designated representative(s).
- C. An employee who is ill or injured may be required to take sick leave if, in the opinion of the employee's supervisor, the employee or co-workers are being exposed to the hazard of illness or injury.
- D. Any employee who needs to take advantage of sick leave benefits shall make every effort to notify their supervisor at least one (1) hour prior to or at the start of their work shift unless the onset of such illness takes place during their shift or during the one (1) hour prior to the start of their shift, at which time they shall notify their supervisor immediately.
- E. No employee is entitled to receive sick leave or benefits from the Agency for any condition arising from or due to employment or business dealings, other than Agency employment, that is undertaken for monetary gain or other consideration.
- F. The Agency reserves the right to investigate any illness or injury or require verification of any illness or injury for which an employee is claiming sick leave benefits including requiring verification by the employee's attending physician, dentist, or other involved medical practitioner. Any sick leave periods for illness or injury which are three (3) or more days in duration may be verified by the employee's physician, dentist, or other involved medical practitioner. If reasonable cause exists, the Agency may require verification from the employee's medical practitioner for absences of less than three (3) days.
- G. All regular and probationary employees may accrue sick leave to an unspecified maximum amount and all accumulated accruals may be carried from one anniversary year to the next.
- H. An employee who is recognized under the terms of this section as ill or injured shall use all accrued sick leave and vacation leave to receive compensation for the time that such illness or injury requires the employee to be absent from work (also see Section 13.03.B).
- The total amount of compensation that will be paid by the Agency is limited to the value of the sum of the employee's accrued sick leave and vacation leave.
- I. Sick leave benefits shall be limited to the accumulated sick leave the employee has accrued by the end of the employee's sick leave period. No sick leave benefit will be paid in advance.

- J. Employees who resign or are laid off from Agency employment after being employed by the Agency for five (5) or more years of continuous regular employment, shall be compensated for accumulated, unused sick leave as follows:

Completed Years Of Continuous Service	Maximum Reimbursable Hours Accruable	Percent Payable
5	320	25%
6	360	25%
7	400	35%
8	440	35%
9	480	35%
10	544	50%
11	608	50%
12	672	50%
13 & 14	736	50%
15 through 19	800	50%
20 and thereafter	850	100%

Employees who are terminated from the Agency for cause, or who resign or retire in lieu of termination, shall not receive this benefit.

- K. When an employee has been continuously employed by the Agency for a minimum of five (5) years, has reached age fifty-five (55), and retires from the Agency and the California Public Employees' Retirement System (CalPERS), the employee shall be paid out for accumulated, unused sick leave based on the years of service as indicated below:

Completed Years Of Continuous Service	Maximum Reimbursable Hours Accruable	Percent Payable
5	320	50%
6	360	50%
7	400	50%
8	440	50%
9	480	75%
10	544	100%
11	608	100%
12	672	100%
13 & 14	736	100%
15 through 19	770	100%
20 and thereafter	850	100%

- L. An employee who is on unpaid status as defined in Section 4.30 shall not accrue sick leave.
- M. An employee must be in a paid status for a minimum of sixty (60) hours per pay period to accrue sick leave at the rate of 3.692 hours per pay period. The sick leave accrual rate will be reduced for an employee who is not in a paid status for a minimum of sixty (60) hours per pay period using the following formula:

$$3.692 \div 80 \text{ hrs/pay period} = 0.0462$$

$$0.0462 \times \text{hrs paid} = \text{reduced accrual amount}$$

For example: An employee who is receiving pay for forty-three (43) hours in a pay period, shall accrue sick leave at the following rate:
 $0.0462 \times 43 \text{ hours} = 1.9866$

In this example, the employee would accrue 1.986 hours of sick leave, rather than the regular amount of 3.692, for this pay period.

- N. Employees shall be entitled to use up to eighty (80) hours of accrued sick leave during any rolling twelve (12)-month period for absences that qualify for “bonding” leave under the Family Medical Leave Act and/or California Family Rights Act. Only employees eligible for “bonding” leave under these laws may utilize up to eighty (80) hours of sick leave for such absences.
- O. Compensation during an Absence from Work: The purpose of Agency Policy A-16 is to establish the procedures for use of sick leave, receipt of monetary compensation during an absence from work due to an illness or injury, and the receipt of leave donated or surrendered to the Agency leave sharing bank. This policy also establishes how employees who are ill or injured can supplement the monetary benefits received from the Agency’s Workers’ Compensation Program, the State Disability Insurance Fund/Paid Family Leave, and/or the Agency’s Long-Term Disability Program.
- P. If an employee is not on approved paid status the day before or after a holiday because of illness, that employee shall nevertheless be eligible to receive holiday pay provided the employee provides a doctor’s note proving that they were genuinely sick.

Section 13.08. - Sick Leave Buy Back

Each November, an employee may, at their option, convert up to a maximum of ninety- six (96) hours of accrued sick leave to receive up to a maximum of seventy-two (72) hours cash at their normal rate of pay; provided that at least four hundred eighty (480) hours of accrued sick leave remains on the books after the cash out. For each hour cashed out, sick leave accruals shall be reduced by one and one-third (1-1/3) hours.

Year	Accrued Hours as of:	Request for Buy Back Deadline	Buy Back Pay Date
2024	October 14, 2024	November 12, 2024	December 13, 2024
2025	October 13, 2025	November 10, 2025	December 12, 2025
2026	October 12, 2026	November 9, 2026	December 11, 2026

- A. To receive payment for the buyback of sick leave the individual must be a current employee on the day actual payment is made.

Section 13.09. - Bereavement Leave

- A. In the event of a death in the employee's family, the employee will be granted up to five (5) non-consecutive paid days of bereavement leave per occurrence. Should an employee's bereavement period coincide with an official Agency holiday for which they are not scheduled to work, it is the employee's responsibility to refrain from scheduling bereavement leave on such holiday.
- B. The employee will also be allowed to use up to an additional ten (10) days of sick leave for bereavement purposes, per occurrence.
- C. For purposes of this Section, family is defined as: spouse, domestic partner, ex-spouse (if children are involved), child (biological, adopted, foster, step, legal ward, or child who is under the age of 18 of a person standing in loco parentis), child-in-law, parent (biological, step, or individual in loco parentis to the employee when the employee was a minor), parent-in-law, sibling, sibling-in-law, half-sibling, step-sibling, grandparent, grandparent in-law, great grandparent, great grandparent in-law, grandchild, great grandchild, aunt, uncle, niece, or nephew.
- D. All authorized Bereavement Leave shall be charged against the Agency's Bereavement Bank.
- E. Agency employees may also be excused at the sole discretion of their immediate supervisor to attend the funeral of a deceased Agency employee who was an active employee at the time of death, without loss of pay.
- F. Vacation time may be used, subject to the regular approval process, to attend the funeral of a person not included in the definition of family above or a former Agency employee.
- G. Use of bereavement leave will be counted as hours worked for purposes of calculating overtime.

Section 13.10. - Jury and Court Leave

- A. Jury Leave - Any employee of the Agency who is called or required to serve as a trial juror, witness, or who is a victim of a crime or domestic violence will be excused from work during the period of such service or while present in court as a result of such a call. Any employee on such a call will continue to receive normal salary for a maximum of one hundred (100) work hours in anyone (1) calendar year or as required pursuant to FLSA, provided any and all consideration (except mileage) received for such service is relinquished to the Agency. If the employee receives pay from the court for time served on a day that would have been a scheduled day off for the employee, they may retain any compensation paid by the court for that/those day(s). Under special circumstances, the General Manager, or designated representative(s), may authorize additional paid time if said time will not interfere or become a burden to Agency operations. Upon return from court duty, the employee shall present a certificate of service to their supervisor. If the employee is excused by the court prior to 2:00 p.m., the employee shall be required to return to work.

The employee shall provide a minimum of ten (10) working days' notice prior to the date they are summoned to serve as a trial juror or witness to their supervisor in order for the supervisor to make arrangements to cover their normal shift.

- B. Court Leave – Pursuant to Government Code Section 1230.1, an employee who is subpoenaed to appear in court as a witness, shall be allowed to do so without loss of compensation unless the employee is appearing as a party or an expert witness.

Section 13.11. - Military Leave

- A. Military leave is a temporary leave of absence for ordered military training or for active military duty in the Armed Forces of the United States or its Allies or of the National Guard or the Naval Militia, during a proclamation of war or national emergency by the President of the United States or congress, an order or request of the United Nations that the Armed Forces of the United States serve outside of the United States or their territories, or any national conscription act in effect.

Section 13.12. - Pregnancy, Childbirth & Other Related Medical Conditions Leave

- A. Any employee who plans to take a leave of absence pursuant to this section shall give the Agency reasonable notice of the date such leave shall commence and the estimated duration of such leave.
- B. If the employee requests a temporary transfer to a less strenuous or hazardous position for the duration of the pregnancy, with the written advice of her treating physician, the Agency will grant the request where such transfer can be reasonably accommodated.

Section 13.13. - Longevity Leave

Employees shall receive the following paid leave hours on the employees' designated anniversary dates:

Year of Service	Hours of Leave
10	40
15	60
20	80
25	100
30	100
35	100
40	100
45	120
50	120

Longevity leave shall apply only to the employment year indicated and shall not carry over to intermediate years.

Section 13.14. - Leave of Absence to Vote

Employees who are registered voters may claim necessary time off to vote at elections as follows:

- A. If an employee does not have sufficient time outside of working hours to vote at an election, the employee may, without loss of pay, take off enough working time which, when added to the voting time available outside of working hours, will enable the employee to vote.
- B. No more than two (2) hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from the regular working shift, unless otherwise mutually agreed.
- C. If the employee on the third working day prior to the day of election, knows or has reason to believe that time off will be necessary to be able to vote on election day, the employee shall give the Agency at least two (2) working days' notice that time off for voting is desired, in accordance with the provisions of this section.

Section 13.15. - Payment of Accrued Leave

Upon the death of an active employee, all wages earned in addition to all accrued vacation leave and/or sick leave shall be paid in accordance with the guidelines set forth in this MOU which apply to other types of employment separation. Such benefits shall be payable to the employee's beneficiary if designated, or if not, the employee's survivor(s) as follows:

- A. Spouse; or, if none,
- B. Child(ren); or, if none,
- C. Employee's estate.

ARTICLE 14 - SEPARATION FROM SERVICE

Section 14.01. - Discharge During Probationary Period

An employee who is within the original probationary period may be discharged at any time without cause by the General Manager, or designated representative(s). The employee shall be compensated for accrued vacation leave as defined in Section 13.05.J of this MOU.

Section 14.02. - Layoff

- A. Any regular employee of the Agency may be laid off at any time as the result of a changed workload within the Agency. Any layoff which may occur for any reason will be based on ability and seniority at the discretion of the General Manager, or designated representative(s), and in the best interest of the Agency. Employees being laid-off shall receive four weeks (20 working days) notice and shall receive two (2) days of severance pay for every complete year of service for the Agency, up to a maximum of four (4) weeks. Severance pay shall be paid at the employee's normal rate of pay.
 - 1) The Agency will meet and confer to consider the impact of any proposed layoffs.
 - 2) If layoffs are put into place, they will be carried out by reverse seniority

order (last hired, first laid off).

- 3) Seniority is defined as time since the original hire date with the Agency.
- 4) If a more senior employee is targeted for layoff, they may bump a less senior employee so long as they are qualified for the position being bumped to.
- 5) If an employee is separated from the Agency because of layoff, they shall have first rights of rehire for a period of three hundred sixty-five (365) calendar days to any position for which they are qualified. If the employee fails to respond within fourteen (14) calendar days to a certified notice of rehire, they shall be deemed to have waived this right of rehire.

Section 14.03. - Resignation

An employee who wishes to leave the Agency's employment in good standing should file a written resignation with their supervisor at least two (2) weeks prior to the date of resignation. After the two (2) business day period, a resignation may not be rescinded by the employee without the approval of the General Manager, or designated representative(s). Should an employee who rescinds their resignation later resign, they shall not be permitted to withdraw any other resignations.

ARTICLE 15 - EMPLOYEE CONDUCT

Section 15.01. - Peaceful Performance of Duties

Members of the Unit may only participate in labor actions as provided for under State and/or Federal law or as provided for by a court of competent jurisdiction.

Section 15.02. - Recognition of Boycotts

While on duty no employee shall support, instigate, or honor any boycott impressed on any company, agency, individual or employer, with which the Agency normally deals with or provides services to.

Section 15.03. - Outside Employment

Full-time Agency employees may not carry on concurrently with their public service any private business or undertaking, attention to which affects the time or quality of their work or which casts discredit upon or creates embarrassment for the Agency. Outside employment must be authorized in writing by the supervisor and the General Manager, or designated representative(s).

Section 15.04. - Personal Conduct

Employees are required at all times to conduct themselves in such a manner as to reflect no discredit upon Inland Empire Utilities Agency.

Section 15.05. - Financial Affairs

Employees shall be required to conduct their personal financial affairs in such a manner that creditors and collectors will not have to make use of the Agency offices or employee times for the purpose of collecting legal debts.

Section 15.06. - Employees Acting as Agents of the Agency

Any employee who is required by the duties assigned to their position to act as an agent of the Agency shall not be empowered or authorized to bind the Agency to any expressed or implied contract. Any contract or offers that an agent of the Agency negotiates with a third party shall be subject to ratification by the Agency prior to acceptance. Any commitments made by an agent of the Agency shall be approved by the Agency prior to being finalized.

ARTICLE 16 - GRIEVANCE PROCEDURE

Section 16.01. - General

- A. A grievance is an alleged violation, misinterpretation, inequitable application or noncompliance with Agency ordinances, resolutions, policies, and/or provisions of the MOU of a non-disciplinary nature. Refer to Article 17, Disciplinary Actions and Appeals Procedures, for disciplinary appeals.
- B. No punitive action will be assessed against an employee for utilizing the grievance procedure.
- C. An employee may select another person as their representative to assist the employee in processing a grievance at any step in the grievance procedure.
- D. In a hearing or meeting called to resolve a grievance, up to one (1) employee, in addition to the employee instituting the grievance, may be excused from work, with the exception of those called as witnesses, when both parties agree they are necessary to determine certain facts. In all instances, the supervisor, and/or Department Manager of the employee who has filed a grievance may be present. Names of Agency employees requesting pay for attendance to a hearing or meeting should be given to the Manager of Human Resources three (3) working days prior to the hearing/meeting.
- E. A grievance is expected to be prepared on the employee's own time. However, the Agency recognizes that some tasks can only be accomplished during working hours. In recognition of this need, an employee may use up to two (2) hours (per grievance) to prepare their grievance.
- F. Organizational channels shall be utilized at all times during the grievance process.
- G. No individual member of the Board of Directors may be approached by the employee, or their representative, at any time regarding a grievance.
- H. The failure to process a grievance within the time limits set forth in this Article shall cause the grievance to be deemed settled in accordance with the Agency's last reply.
- I. Any limit may be extended upon the mutual agreement of both parties.
- J. An employee shall initially attempt settlement of a grievance at the employee-supervisor level.
- K. All grievances shall be treated as confidential by all parties, and no publicity will be given until the final resolution of the grievance.
- L. An employee's grievance must be submitted within thirty (30) calendar days after

the event giving rise to the grievance. Grievances not presented within this thirty (30) calendar day period shall be considered untimely and ineligible for processing through the Grievance Procedure.

Section 16.02. - Purpose

- A. To promote harmonious labor relations by establishing procedures on grievance matters.
- B. To provide that grievances shall be settled as near as possible to the point of origin.
- C. To provide that the grievance procedure shall be as informal as possible.

Section 16.03. - Procedure

- A. Grievances involving salaries and promotions, may be processed up through Step 4 of this procedure.
- B. There shall be an earnest effort on the part of both parties to settle grievances promptly through the steps listed below.
- C. The following procedures outlined herein constitute the steps necessary to address an employee's grievance:

Step 1:

- A. An employee's grievance must be submitted to the Manager or Human Resources or designee within thirty (30) calendar days after the event giving rise to the grievance. Grievances not presented within this thirty (30) calendar day period shall be considered untimely and ineligible for processing through the Grievance Procedure.
- B. A meeting with the employee, Union Representative (if the employee chooses), the Supervisor or designee, and a representative from the Human Resources department will be arranged at a mutually agreeable location and time to review and discuss the grievance. Such meeting will take place within eight (8) business days from the date the grievance is received by the Manager or Human Resources or designee. The Supervisor or designee will give their written answer to the employee and Union Representative, if applicable, by the end of the eighth (8th) business day following the presentation of the grievance and the provision of such answer will conclude Step 1. Should the Supervisor or designee fail to respond within the allotted timeframe, the employee may proceed to the next step.

Step 2:

- A. If the grievance is not resolved in Step 1, the employee may proceed to Step 2. The employee will submit their grievance to the next level Management Representative, typically the Deputy Manager or designee by the end of the eighth (8th) business day following the decision in step 1. Grievances not presented within this eight (8) business day period shall be considered untimely and ineligible for further processing through the remainder of the Grievance Procedure.
- B. A meeting with the employee, Association Representative (if the employee chooses), the Deputy Manager or designee, and a representative from the Human Resources

department will be arranged at a mutually agreeable location and time to review and discuss the grievance. Such meeting will take place within eight (8) business days from the date the grievance is received by the Deputy Manager or designee. The Deputy Manager or designee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the date of the meeting, and the provision of such reply will conclude Step 2. Should the Deputy Manager or designee fail to respond within the allotted timeframe, the employee may proceed to the next step.

Step 3:

- A. If the grievance is not resolved in Step 2, the employee may proceed to Step 3. The employee will submit their grievance to the next level Management Representative, typically the Department Manager or designee by the end of the eighth (8) business day following the decision in step 2. Grievances not presented within this eight (8) business day period shall be considered untimely and ineligible for processing through the remainder of the Grievance Procedure.
- B. A meeting with the employee, Association Representative (if the employee chooses), the Department Manager or designee, and a representative from the Human Resources department will be arranged at a mutually agreeable location and time to review and discuss the grievance. Such meeting will take place within eight (8) business days from the date the grievance is received by the Department Manager or designee. The Department Manager or designee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the date of the meeting, and the provision of such reply will conclude Step 3. Should the Department Manager or designee fail to respond within the allotted timeframe, the employee may proceed to the next step.

Step 4:

- A. If the grievance is not resolved in Step 3, the employee may proceed to Step 4. The employee will submit their grievance to the Manager of Human Resources or designee by the end of the eighth (8th) business day following the decision in step 3. Grievances not presented within this eight (8) business day period shall be considered untimely and ineligible for further processing through the remainder of the Grievance Procedure.
- B. A three-person committee will be organized by the Manager of Human Resources or designee. The three-person committee shall consist of; one (1) Association Representative selected by the Association, one (1) Management Representative selected the Agency, and one (1) Management Representative selected by mutual agreement, by the Association Representative and the Management Representative.
- C. A meeting with the employee, Union Representative (if the employee chooses), a representative from the Human Resources department, and the three-person committee will be arranged at a mutually agreeable location and time to review and discuss the grievance. Such meeting will take place within eight (8) business days from the date the grievance is received by the Manager of Human Resources or designee. The three-person committee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8th) business day following the date of the meeting, and the provision of such reply will conclude Step 4. Should the three-person committee fail to respond within the allotted timeframe,

the employee may proceed to the next step.

- D. Grievances involving salaries, and promotions shall not be continued beyond Step 4.

Step 5:

- A. If the grievance is not resolved in Step 4, the employee may proceed to Arbitration. The employee will submit their grievance to the Manager of Human Resources or designee by the end of the eighth (8th) business day following the decision in step 4. Grievances not presented within this eight (8) business day period shall be considered untimely and ineligible for further processing through the remainder of the Grievance Procedure.

Arbitration:

- A. As soon as possible and in any event not later than thirty (30) calendar days after the Agency has received written notice of the desire to arbitrate, the parties shall agree upon an arbitrator. If no Agreement is reached within said thirty (30) calendar days, an arbitrator shall be selected from a list of seven (7) arbitrators submitted by the California Mediation and Conciliation Service by alternate striking of names until one name remains. The party who strikes the first name from the panel shall be determined by lot.
- B. When timeliness is at issue, the arbitrator shall first decide on the timeliness issue. If the arbitrator determines that timelines were not adhered to, the arbitration shall not proceed further with a determination on the merits of the dispute. However, if the arbitrator determines that timelines were followed, the arbitrator may proceed to make a determination on the merits of the dispute.
- C. Either the Agency or the Association may call any employee as a witness, and the Agency agrees to release said witness from work if they are on duty. If an employee witness is called by the Agency, the Agency will reimburse them for time lost. Should the witness list create an operational hardship for the Agency, the Association and Agency shall mutually agree on an appropriate remedy.
- D. The arbitrator shall have no power to alter, amend, change, add to or subtract from any of the terms of this Agreement. The decision of the arbitrator shall be based solely upon the evidence and arguments presented to them by the respective parties in the presence of each other and applicable briefs.
- E. The decision of the arbitrator within the limits herein prescribed shall be final and binding upon the parties to the dispute.
- F. The mutual decision of the parties and/or the arbitrator in any dispute shall be the final and binding decision on all parties and there shall not be any appeal to another board, authority, commission and/or agency.
- G. The parties shall share equally the expense of the cost of the arbitration, with the exception of counsel's fees.
- H. The Agency shall pay for the Unit's cost of one (1) arbitration, from July 1, 2024 – June 30, 2027. This does not include legal fees, but rather it shall cover the fees of the Arbitrator. This includes arbitrations stemming from disciplinary appeals.

ARTICLE 17 - DISCIPLINARY ACTIONS AND APPEALS PROCEDURES

No disciplinary action may be imposed on any employee covered by this MOU, with the exception of oral counseling, until said action has been reviewed by the Human Resources Department. In the event of a serious infraction, some or all steps of progressive discipline can be bypassed. The type of discipline imposed will be based upon the seriousness of the event and will be evaluated by the Department, in consultation with the Human Resources Department.

Section 17.01. - Types of Discipline

Where appropriate, discipline imposed by the Agency may consist of one or more of the following:

- A. Oral Counseling. Instruction to the employee by the employee's supervisor to correct workplace behavior or performance.
- B. Oral Reprimand. A warning from the employee's supervisor to the employee to correct workplace behavior or performance which is documented as having occurred.
- C. Written Reprimand. A written notice from the employee's supervisor to the employee that the employee must correct workplace behavior or performance or be subject to more serious disciplinary action.
- D. Suspension. The temporary separation from service of an employee without pay for disciplinary reasons.
- E. Reduction in Pay. A decrease in an employee's pay to a lower Step within the employee's current pay range for a specified period of time.
- F. Demotion. An involuntary moving of an employee to a lower-paying classification or position for disciplinary reasons. Failure to meet the requirements of promotional (technical) probation is not considered a disciplinary demotion.
- G. Termination. The discharge, for cause, of an employee at the discretion of the Agency.

Section 17.02. - Conduct Leading to Disciplinary Action(s)

Following are **examples** of conduct which could result in disciplinary action up to and including termination. This list is not exhaustive, and employees may be disciplined for other inappropriate activities or behavior:

- A. Absenteeism. Excessive unscheduled absences from the workplace.
- B. Tardiness. Arriving late for work, leaving work early without approval of the employee's supervisor, taking excessively long break and/or lunch periods.
- C. Job Abandonment (see Section 4.12) .
- D. Violation of Agency/Division/Department Rules and/or Policies.

- E. Uninsurability. Becoming uninsurable by the standards of the Agency's automobile insurance program for any reason if insurability is an essential requirement of the employee's job.
- F. Use of Work Phone and/or personal cell phone for Personal Business. The excessive receipt or placement of non-emergency personal telephone calls during working hours.
- G. Reading Non-Work-Related Material During Work Hours.
- H. Discourteous Treatment of the Public or Other Employees.
- I. Violation of MOU Provisions.
- J. Conduct Outside Working Hours. Any conduct outside of working hours that would have an adverse impact on the employee's job, would be injurious to the interests of the Agency, would be in a manner incompatible with the due and faithful discharge of the employee's duties or would be significantly prejudicial to the reputation of the Agency.
- K. Failure To Perform Job. Failure to perform assigned tasks that are within the scope of the employee's position in an effective and timely manner.
- L. Fraudulent Actions. Falsifying employment applications, timecards, production records, overtime sheets, or other work records or the practice of fraud of any type.
- M. Mishandling/Maintenance of Agency Materials or Equipment. Careless, negligent, or intentional mishandling of any Agency property, vehicles, materials or equipment or failure to maintain equipment assigned to the employee for use or operation.
- N. Careless or Negligent Actions. Careless, negligent, abusive, or other actions that endanger or threaten to endanger the employee or other employees or the public including placing the Agency in a position of liability for the damage or injury to another person or their property.
- O. Violation of the Provisions of the Agency's Safety Manual.
- P. Sleeping on the Job.
- Q. Illegal Strike Against the Agency. Participating in an illegal strike, work stoppage or slow down against the Agency.
- R. Violations of Laws. A violation of any municipal, county, State or Federal law by an employee while acting as an agent or employee of the Agency.
- S. Carrying a firearm or other weapon while on Agency owned or controlled property or while on duty.
- T. Willfully or negligently damaging Agency property.
- U. Criminal Conduct. The commission of a felony or a misdemeanor committed during the course of employment, which jeopardizes the Agency's property, security, or its public reputation, the interests of the other employees, or results in the employee not being available for work. Also, the commission of a felony or a misdemeanor

committed during the employee's off-duty hours which is related to the employment relationship between the Agency and the employee which significantly prejudices any one of these interests.

- V. Disruption of Agency business through willful misconduct.
- W. Altercations with a member of the public or another employee during working hours or while on Agency owned or controlled property.
- X. Action by or behavior of the employee which presents a danger to the safety or welfare of the employee, co-workers, or the public.
- Y. Sexual activity on the job.
- Z. Release of confidential information (i.e., Unauthorized release/distribution of confidential material/data, unauthorized opening of confidential/personal material data).
- AA. Insubordination. An employee's refusal or failure to obey a directive from a designated supervisor or to comply with an established work procedure. Under certain circumstances, use of objectionable language or abusive behavior toward supervisors may be deemed insubordination when it directly challenges or undermines management's authority.
- BB. Theft or misappropriation of any property or funds of the Agency or its employees.
- CC. Possess, sell, buy, distribute, offer to possess, sell, buy, distribute, or use, or having in the employee's system, any illegal or purported to be illegal substance, alcohol, or any legal drug or substance not properly obtained by the employee while on or about Agency time and/or property. Reference Agency Policy A-63, Drug/Alcohol Free Workplace.

Section 17.03 - Administrative Leave

- A. The Agency reserves the right to place any employee on administrative leave with pay pending an investigation of their acts, or failure to act, which may be grounds for disciplinary action. The placement of an employee on administrative leave is not a disciplinary act. The employee shall be considered as being on a paid leave of absence for purposes of pay, benefits, and seniority.

Section 17.04. - Agency Authority

- A. The Agency retains full authority for discipline and discharge. The Agency agrees that employees will only be disciplined for just cause, and that the principles of progressive discipline, where possible and reasonable, will be followed.
- B. It is understood that based on individual circumstances, and/or the nature or severity of an alleged violation, progressive discipline steps may be repeated or, in some cases, bypassed.

Section 17.05. - Employee's Receipt

Employee's receipt of any and all notices shall be defined as the date the notice was sent electronically, via Agency e-email or hand delivered.

Section 17.06. - Pre-Disciplinary Procedure and Disciplinary Appeal Procedure Pre-Disciplinary

A. Procedure:

If an employee is to be suspended for thirty-one (31) hours or more, receive a reduction in pay, be demoted or discharged, the employee shall:

- 1) Receive written notice of the intended action at least eight (8) business days before the date it is intended to become effective, stating the specific grounds and the particular facts upon which the action is based.
- 2) Receive copies of any materials, reports or other documents upon which the intended action is based.
- 3) Be afforded the right to respond in orally or in writing within eight (8) business days to the intended charges. Employee response shall be in accordance with the section below.
- 4) Be afforded the right to meet or schedule a meeting within eight (8) business days with the Agency's Skelly meeting reviewer. The Agency's Skelly meeting reviewer will be a representative from the Agency's management team, who is reasonably impartial and uninvolved from the underlying facts and circumstances of the employee.
- 5) Be given the written decision of the Agency Skelly meeting reviewer prior to the effective date of the disciplinary action and the giving of such written decision will conclude the pre- disciplinary procedure. Such action may not include discipline more severe than that described in the notice of intent; however, the Agency may reduce such discipline without the issuance of a further notice of intent.

B. Employee Response:

- 1) The employee shall be entitled to respond, orally or in writing, to the notice of intended action described above. Such response must be in accordance with the steps in the pre- disciplinary procedure. After review of the employee's timely response, if any, the Agency shall notify the employee of any action to be taken. If the employee chooses to respond orally, the employee may request and, if such request is made, have present a Union representative.

C. Disciplinary Appeal Procedure:

- 1) Disciplinary actions of oral counseling and oral reprimands shall not be eligible for the disciplinary appeal procedure.
- 2) Time limits for filing formal disciplinary appeals and their corresponding appeals, may be extended by mutual agreement of the parties. The mutual agreement of the parties shall be document in writing.

Step 1:

- A. An employee's disciplinary appeal must be submitted to the Manager of Human

Resources, or designee within eight (8) business days after the issuance of the discipline. Disciplinary Appeals not presented within this eight (8) business day period shall be considered untimely and ineligible for processing through the Disciplinary Appeals Procedure.

- B. A meeting with the employee, Union Representative (if the employee chooses), the Management Representative, typically the Deputy Manager or designee, and a representative from the Human Resources department will be arranged at a mutually agreeable location and time to review and discuss the employee's disciplinary appeal. Such meeting will take place within eight (8) business days from the date the appeal is received by the Management Representative, typically the Deputy Manager or designee. The Management Representative, typically the Deputy Manager or designee will give their written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the presentation of the disciplinary appeal and the giving of such answer will conclude Step 1. Should the Management Representative, typically the Deputy Manager or designee, fail to respond within the allotted timeframe, the employee may proceed to the next step.
- C. A disciplinary appeal of a written reprimand shall not be continued beyond Step 1. However, the employee may attach a written rebuttal to the written reprimand. The employee's written rebuttal must be submitted by the end of the eighth (8) business day following the written response from the Management Representative, typically the Deputy Manager or designee.
- D. Disciplinary actions of suspension of thirty-one (31) hours or more, reduction in pay, demotion or discharge may waive Step 1. The disciplinary appeal to the Department Manager of Human or designee, should include the employee's preference to start at Step 1 or Step 2.

Step 2:

- A. If the employee's disciplinary appeal is not resolved in Step 1, the employee may proceed to Step 2. The employee will submit their disciplinary appeal to the next level Management Representative, typically the Department Manager or designee by the end of the eighth (8) business day following the decision in step 2. Disciplinary Appeals not presented within this eight (8) business days period shall be considered untimely and ineligible for processing through the remainder of the Disciplinary Appeals Procedure.
- B. A meeting with the employee, Union Representative (if the employee chooses), the Department Manager or designee, and a representative from the Human Resources department will be arranged at a mutually agreeable location and time to review and discuss the employee's disciplinary appeal. Such meeting will take place within eight (8) business days from the date the appeal is received by the Department Manager or designee. The Department Manager or designee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the date of the meeting, and the giving of such answer will conclude Step 2. Should the Department Manager or designee fail to respond within the allotted timeframe, the employee may proceed to the next step.

Step 3:

- A. If the employee's disciplinary appeal is not resolved in Step 2, the employee may proceed to Step 3. The employee will submit their disciplinary appeal to the next level Management Representative, typically the Executive Manager or designee by the end of the eighth (8) business day following the decision in step 2. Disciplinary Appeals not presented within this eight (8) business day period shall be considered untimely and ineligible for processing through the remainder of the Disciplinary Appeals Procedure.
- B. A meeting with the employee, Union Representative (if the employee chooses), the Executive Manager or designee, and a representative from the Human Resources department will be arranged at a mutually agreeable location and time to review and discuss the employee's disciplinary appeal. Such meeting will take place within eight (8) business days from the date the appeal is received by the Executive Manager or designee. The Executive Manager or designee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the date of the meeting, and the giving of such answer will conclude Step 3. Should the Executive Manager or designee fail to respond within the allotted timeframe, the employee may proceed to the next step.

Step 4:

- A. If the employee's disciplinary appeal is not resolved in Step 3, the employee may proceed to Step 4. The employee will submit their disciplinary appeal to Manager of Human Resources or designee by the end of the eighth (8) business day following the decision in step 3. Disciplinary Appeals not presented within this eight (8) business day period shall be considered untimely and ineligible for processing through the remainder of the Disciplinary Appeals Procedure.
- B. A three-person committee will be organized by the Manager of Human Resources or designee. The three-person committee shall consist of; one (1) Association Representative selected by the Association, one (1) Management Representative selected by the Agency, and one (1) Management Representative selected by mutual agreement, by the Association Representative and the Management Representative.
- C. A meeting with the employee, Union Representative (if the employee chooses), a representative from the Human Resources department, and the three-person committee will be arranged at a mutually agreeable location and time to review and discuss the employee's disciplinary appeal. Such meeting will take place within eight (8) business days from the date the appeal is received by the Manager of Human Resources or designee. The three- person committee will give a written answer to the employee and Union Representative, if applicable, by the end of the eighth (8) business day following the date of the meeting, and the giving of such answer will conclude Step 4. Should the three-person committee fail to respond within the allotted timeframe, the employee may proceed to the next step.
- D. An appeal of discipline in the form of a suspension of thirty (30) hours or less shall not be continued beyond Step 4. However, the employee may attach a written rebuttal to the suspension of thirty (30) hours or less. The employee's written rebuttal must be submitted by the end of the eighth (8) business day following the written response from the Management representative.

Step 5:

- A. Only disciplinary actions of suspension of thirty-one (31) hours or more, reduction in pay, demotion or discharge are appealable to Step 5.
- B. If the disciplinary appeal is not resolved in Step 4, the employee may proceed to Arbitration. The employee will submit their disciplinary appeal to the Manager of Human Resources or designee by the end of the eighth (8) business day following the decision in step 4. Disciplinary Appeals not presented within this eight (8) business day period shall be considered untimely and ineligible for processing through the remainder of the Disciplinary Appeals Procedure.

Arbitration

- A. As soon as possible and in any event not later than thirty (30) calendar days after the Agency has received written notice of the desire to arbitrate, the parties shall agree upon an arbitrator. If no Agreement is reached within said thirty (30) calendar days, an arbitrator shall be selected from a list of seven (7) arbitrators submitted by the California Mediation and Conciliation Service by alternate striking of names until one name remains. The party who strikes the first name from the panel shall be determined by lot.
- B. When timeliness is at issue, the arbitrator shall first decide on the timeliness issue. If the arbitrator determines that timelines were not adhered to, the arbitration shall not proceed further with a determination on the merits of the dispute. However, if the arbitrator determines that timelines were followed, the arbitrator may proceed to make a determination on the merits of the dispute.
- C. Either the Agency or the Association may call any employee as a witness, and the Agency agrees to release said witness from work if they are on duty. If an employee witness is called by the Agency, the Agency will reimburse them for time lost. Should the witness list create an operational hardship for the Agency, the Association and Agency shall mutually agree on an appropriate remedy.
- D. The arbitrator shall have no power to alter, amend, change, add to or subtract from any of the terms of this Agreement. The decision of the arbitrator shall be based solely upon the evidence and arguments presented to them by the respective parties in the presence of each other.
- E. The decision of the arbitrator within the limits herein prescribed shall be final and binding upon the parties to the dispute.
- F. The mutual decision of the parties and/or the arbitrator in any dispute shall be the final and binding decision on all parties and there shall not be any appeal to another board, authority, commission and/or agency.
- G. The parties shall share equally the expense of the cost of the arbitration, with the exception of counsel's fees.
- H. The Agency shall pay for the Unit's cost of one (1) arbitration, from July 1, 2024 – June 30, 2027. This does not include legal fees, but rather it shall cover the fees of the Arbitrator. This includes arbitrations stemming from grievances.

ARTICLE 18 - RULE MAKING AUTHORITY

Section 18.01. - General

The General Manager, or designated representative(s), may adopt and administer personnel rules and regulations which are supplementary to and consistent with the terms set forth in this MOU and the policies of the Agency.

ARTICLE 19 - NOTICE

Section 19.01. - General

Within ninety (90) working days of the adoption of this MOU a copy shall be presented to each Supervisor's Unit employee of the Agency, and to each newly hired Supervisors' Unit employee at the time of appointment.

ARTICLE 20 – ASSOCIATION DUES DEDUCTION

During the term of this MOU, the Agency agrees to collect Association Dues, through payroll deduction. The Agency shall be held harmless by the Association in performing this responsibility.

- A. The Agency shall deduct Association membership dues and any other agreed-upon payroll deductions to the extent permitted by law from the pay of each member employee in accordance with the procedures set forth herein.
- 1) At the direction of a recognized employee organization, the Agency may deduct dues from the paychecks of consenting members of the organization. Employees shall communicate their requests to begin or cancel membership deductions to the recognized employee organization, and the organization shall inform the Agency. Dues paying bargaining unit members who have affirmatively consented to or authorized dues deductions shall be entitled to have dues deducted.
 - 2) The Agency agrees to direct each member employee to the Association with regard to any questions or concerns related to membership dues or any other mutually agreed payroll deduction.
 - 3) The Association is responsible for providing the Agency with timely information regarding changes to member employees' dues and any other lawful Association related payroll deductions.
 - 4) Dues withheld by the Agency shall be transmitted monthly to the Association officer designated in writing by the Association as the person authorized to receive the funds, at the address specified.
 - 5) If dues deduction would result in a negative balance for an employee, the dues will not be withheld, and the Association will be notified.
 - 6) The Association shall refund to the Agency any amounts paid to it in error upon presentation of supporting evidence. The Agency will pay to the Association any amounts which were not deducted in accordance with the procedures prescribed in this Section.

- B. The Agency shall make payroll deductions for membership dues or any other mutually agreed payroll deduction for any member employee in reliance on information provided by the Association to the extent permitted by law. Similarly, the Agency shall only cancel or modify membership dues or any other mutually agreed payroll deduction for any member employee in reliance on information provided by the Association to the extent permitted by law.
- C. The Association shall indemnify, defend, protect and hold harmless the Agency and its elected and appointed officials, officers, employees, officers and agents (collectively hereafter the "Indemnitees") from and against any and all claims, liabilities, losses, damages, fines, penalties, claims, demands, suits, actions, causes of action, judgments, costs, and expenses arising from the application of this section, including, but not limited to, any claims made by bargaining unit employees for the return of membership dues deductions the Agency made in reliance on the Association's certification, and any claims made by any bargaining unit employees for any deduction cancellation or modification the Agency made in reliance on the information provided by the Association.

ARTICLE 21 - MANDATORY SUBJECTS OF BARGAINING

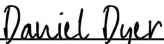
Section 21.01. - General

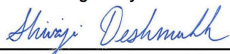
The parties agree that wages, hours and other terms and conditions of employment not specifically changed or modified by this MOU shall remain in full force and effect unless otherwise mutually agreed to by the parties.

IN WITNESS WHEREOF, the parties have executed this agreement, by their duly authorized representatives, on the day and the year first above written.

Supervisors' Unit

Inland Empire Utilities Agency

Signed by:

 Daniel Dyer
 President

DocuSigned by:

 Shivaji Deshmukh
 General Manager

Signed by:

 Ed Makowski
 Vice President

*A Municipal Water District